

979. Also, petition of the Associated Puerto Rican Press, Puerto Rico, petitioning consideration of their resolution with reference to propaganda; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 8, 1939

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou whose greatness is unsearchable and whose amazing love crowneth all our days, we rejoice that Thou wert the God of our fathers and that Thou art also the God of their succeeding generations. Again we approach that throne of grace from which none has ever been repelled or sent empty away. We come constrained not only by our necessities but encouraged by the blessed assurance that Thy fatherly heart opens with love in response to those who seek Thee. Let Thy hand of blessing rest this day upon all whom Thou hast called to positions of leadership and service in the life of our Nation. May peace and prosperity be the heritage of men everywhere. In the name of Christ our Lord we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

FORMER RESIDENCE OF THE LATE JUSTICE OLIVER WENDELL HOLMES

The SPEAKER laid before the House the following communication from the Clerk of the Supreme Court of the United States:

FEBRUARY 7, 1939.

The honorable the SPEAKER OF THE HOUSE,
United States House of Representatives,
Washington, D. C.

SIR: By direction of the Chief Justice I have the honor to transmit to you herewith a copy of the order entered this day selecting three Associate Justices of the Supreme Court of the United States to serve as members of the committee constituted by the joint resolution of Congress of June 22, 1938 (52 Stat. 943, ch. 595), entitled "To authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes."

I am, sir,

Yours very respectfully,

CHARLES ELMORE CROPLEY,
Clerk of the Supreme Court of the United States.

ORDER

Pursuant to the joint resolution of Congress of June 22, 1938 (52 Stat. 943, ch. 595), entitled "To authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes," the Chief Justice announced the selection of the following Associate Justices of the Supreme Court to serve as members of the committee constituted by said joint resolution: Mr. Justice Stone, Mr. Justice Roberts, and Mr. Justice Frankfurter.

Per Mr. CHIEF JUSTICE HUGHES.

FEBRUARY 7, 1939.

COMMITTEE ON WILDLIFE CONSERVATION

The SPEAKER. Pursuant to the provisions of House Resolution 65, Seventy-sixth Congress, the Chair appoints the gentleman from Michigan [Mr. DINGELL] to fill the vacancy on the Committee on Wildlife Conservation.

COMMEMORATION OF THE ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE FIRST CONGRESS OF THE UNITED STATES

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 4, Seventy-sixth Congress, the Chair appoints as members of the joint committee to make suitable arrangements for the commemoration of the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution the following Members of the House: Mr. RAYBURN, of Texas; Mr. SABATH, of Illinois; Mr. BLOOM, of New York; Mr. EATON, of New Jersey; and Miss SUMNER, of Illinois.

SPECIAL COMMITTEE TO INVESTIGATE UN-AMERICAN ACTIVITIES

The SPEAKER. Pursuant to the provisions of House Resolution 26, Seventy-sixth Congress, the Chair appoints the gentleman from California [Mr. VOORHIS] to fill the vacancy

on the Special Committee to Investigate Un-American Activities.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask that the time granted to me to address the House on tomorrow may be postponed for 1 week in view of the legislative program that has been arranged for tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a memorial from the Legislature of the State of New Mexico to the Congress with reference to the proposed extension in the State of New Mexico of the boundary of the Navajo Indian Reservation.

Mr. RICH. Reserving the right to object, Mr. Speaker, may I ask the gentleman how far it is expected to extend this boundary?

Mr. DEMPSEY. This memorial requests that the Congress not extend it at all. The legislature opposes any extension of the boundary.

Mr. RICH. Does the gentleman mean the legislature of the gentleman's State is opposed to extending the boundary of the Navajo Indian Reservation?

Mr. DEMPSEY. Yes.

Mr. RICH. I wish a lot of other States would do the same as the gentleman's State is doing.

Mr. DEMPSEY. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered before the annual convention of the Virginia State Dairymen's Association by Mr. Woodbury Willoughby, economic analyst in the Division of Trade Agreements of the Department of State, on the subject of reciprocal-trade agreements and their effect upon American dairy farmers.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I am introducing a resolution authorizing the President to invite the nations of the world to the council board for a possible solution of the chaotic conditions in the world today.

EXTENSION OF REMARKS

Mr. SHANLEY asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. BYRNS of Tennessee asked and was given permission to extend his own remarks in the RECORD.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of the statement I made yesterday before the Committee on Ways and Means on the subject of proposed amendments to the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. BALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein a short editorial on the splendid service rendered by the United States Coast Guard.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SANDAGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement on the effect of the trade agreements on the American lace industry.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to House Joint Resolution 91.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an address delivered over the radio by Senator JAMES M. MEAD, of New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

FEBRUARY 8, 1939.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Because of another committee assignment, I hereby submit my resignation as a member of the Committee on Indian Affairs.

Respectfully yours,

LINDLEY BECKWORTH.

INDEPENDENT OFFICES APPROPRIATION BILL, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, 1940 (H. R. 3743).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3743, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. HOFFMAN. Mr. Chairman, I have an amendment at the Clerk's desk.

The CHAIRMAN. When the Committee rose yesterday an amendment offered by the gentleman from New York [Mr. TABER] was pending, and it was understood that the amendment, which had already been read, would be considered first.

Mr. HOFFMAN. I have sent my amendment to the desk. It is a perfecting amendment and has preference over the amendment of the gentleman from New York.

The CHAIRMAN. That, of course, can be determined after the gentleman from New York has completed his statement in reference to his amendment, and for the information of the House, and without objection, the Clerk will again report the amendment of the gentleman from New York [Mr. TABER].

The Clerk read as follows:

Amendment offered by Mr. TABER: Beginning on page 32, in line 18, strike out the remainder of page 32, down to and including line 5, on page 33.

Mr. TABER. Mr. Chairman, I have offered this amendment for the purpose of throwing out the entire appropriation for the National Labor Relations Board. I am doing this on the same theory and with the same feeling the committee had with reference to the Communications Act, and that is, if we are going to have any chance of recovery the Labor Relations Act must be substantially amended so that it will provide a square deal for different groups of employees and for the employers, and that a board representing the Government should be committed to impartiality and that promotion of activities of one kind or another is beyond my comprehension, and it is also beyond

my comprehension that the Congress should stand for that sort of thing.

My idea is that we should refuse at this time to appropriate any money for the Labor Board and that the matter should be held in abeyance until the deficiency bill and that no such appropriation should be made unless the Congress shall have passed, and the President shall have signed, a bill providing proper and fair amendments of the act.

This is my position. This is the basis of my amendment, and I hope the House will adopt the amendment so that we can begin to have action along the line of clearing up this situation which is such a bar at the present time to the employment of our people and the return of prosperity. [Applause.]

The CHAIRMAN. The Chair will state that it is the understanding of the Chair the gentleman from Michigan [Mr. HOFFMAN] has a perfecting amendment to offer and, of course, perfecting amendments are in order before amendments to strike. Will the gentleman from Michigan kindly submit his amendment?

Mr. HOFFMAN. If the Chair is willing and the Committee has no objection, I would prefer to wait until the pending amendment is disposed of.

The CHAIRMAN. That is within the discretion of the gentleman from Michigan.

Mr. FITZPATRICK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

Mr. Chairman, I think it would be a great mistake to adopt the amendment offered by the gentleman from New York. I have always been opposed to bringing in legislation on an appropriation bill unless it was some minor matter of legislation or legislation to correct some error in a bill.

As I understand it, this act was adopted so that the Labor Relations Board could take up various disputes between the workers and their employers. I believe we should give them a fair chance to do the job which Congress intended them to do. I am not taking sides as to whether the act should be amended or not, or whether it should be eliminated entirely. If the act should be amended, then the matter should be referred to the legislative committee and they should hold hearings and bring the hearings to the House and let the House decide, after extensive hearings, whether or not we should amend the National Labor Relations Act; but up to the present time there is nothing before the Members of this House that would indicate that we should dispose of this Board.

It has been stated that the Board has shown favoritism to the C. I. O. I have no knowledge of this personally and cannot give any opinion. If it is true, then it is the fault of the administrators of the Board and not the act itself. I am not taking sides with any labor organization or with any employer, and I feel it is the duty of the National Labor Relations Board not to take sides but, on the other hand, to be fair and just with all labor organizations and employers. There is no reason why I should lean toward the C. I. O., as during the last election I understand they were behind the American Labor Party, who put a candidate in the field against me; but that will have nothing to do with my supporting this appropriation. I believe, however, that the appropriation should be approved to carry out the intentions of the act itself; and, if carried out as Congress intended it, I believe it will not only be beneficial to the employees and employers, but to the American people as a whole.

This is not the appropriate place for us to act in order to eliminate the Board at this time. It was brought out in the hearings that in 19 cases that were brought into the United States Supreme Court, 17 were won by the Labor Board. It was also brought out at the hearings that out of 41 disputes between the Federation of Labor and the C. I. O., 21 cases were decided in favor of the Federation of Labor. I do not know the merits of the cases in question, and you yourself do not know them except for what has been printed in the newspapers.

They have asked for an increased appropriation, because there are today some 3,700 undisposed cases before the National Labor Relations Board. This is the reason they want to get increased personnel, so they can go out and investigate these cases properly. I think it would be of great benefit to our country and to the taxpayers if we can have a board set up that will consider our labor disputes and do justice to the employer and the employee and reach an agreement without any strikes. As I understand, during the last year the Board settled 771 strikes.

I have stated the object of this act and the responsibility of the Board. If the act is not perfect, let us amend it in the proper way by referring it to a legislative committee, as I stated in the beginning of my remarks, and after hearings are held and all the facts are brought out let them bring in a bill, but let us not eliminate this Board because some are against it.

I hope the amendment offered by the gentleman from New York will be defeated and that we will continue this Board until we, the Members of Congress, after hearings, develop the necessity of amending the act, or, if necessary, abolishing the Board. I therefore ask that the amendment be defeated. [Applause.]

MR. LELAND M. FORD. Mr. Chairman, I move to strike out the last word. I rise to support this amendment as offered. I support it upon the ground of an occurrence that happened in Los Angeles during the strike in the Douglas airplane plant—a sit-down strike. Some 21 men were indicted by the Los Angeles grand jury. I believe 18 out of that 21 were convicted, most of whom received jail sentences. The National Labor Relations Board now tells the Douglas Co. they will have to take these men back into their employ and have to pay them, not only for their time they were off but for the time they spent in jail. That is one of the most un-American decisions I ever heard of and I do not think it should be countenanced in any way, shape, or form. I do not think we should permit a board to come in and tell a plant that its men who had been convicted of a crime against that plant must not only be taken back in the plant, but must be paid for the time that they were off. Such a thing needs no support, and I hope the Congress will not give a board of that kind 1 cent.

MR. VOORHIS of California. Mr. Chairman, I rise in opposition to the pro forma amendment. The argument advanced by the gentleman from New York [Mr. FITZPATRICK] on this question is an unanswerable argument. It is to the effect that if you want to amend the National Labor Relations Act, the way to do it is in a straightforward manner and not by trying to knock out the Board through refusing an appropriation. I feel that this whole question, however, can be based upon the Board's record. Congress passed the National Labor Relations Act for the purpose of doing two things; in the first place, because the Congress felt that the right of collective bargaining and organization on the part of labor is a proper corollary right in this industrial age to the concentration of industrial ownership and the virtual helplessness of the individual wage earner. The second reason that Congress had was that by that organization industrial disputes would be decreased. There is good reason to believe that. The President's commission sent last summer to England to investigate the question came back with a report that in England substantial industrial peace already existed, and one of the basic reasons was that throughout British industry the right of organization and collective bargaining is unquestionably recognized.

What is the record of this Board? The Board has carried out its assignment with regard to diminishing industrial disputes and strikes. In 1937 there were 394 strikes every month, and in 1938 exactly half that number. Go back to the winter of 1936-37 and you will find a very bad situation, and why, because the Supreme Court decision was not yet handed down definitely validating the Labor Relations Act and because, therefore, that act was being disputed in many quarters. So we had a chaotic condition where, naturally, there was much difficulty.

Just before that happened there were 186,000 workers on strike, and in the same month 50,000 workers were appealing to the Board to settle the question without a strike. A year later, in March 1938, there were only 20,000 workers on strike for the purpose of establishing the right of organization, and three times the number were appealing to the Board that had been appealing to that Board before. In other words, on the question of strike over the right of organization, you have set up a machinery which is functioning effectively for the reduction of industrial disputes. These figures show to me that we are coming out of the woods, that there are half as many strikes, and half as many of the reduced number concerning the right to organize. What we hoped would happen has happened, I believe, largely through the efforts of this Board. The sit-down strike—and I do not know anybody that defends it as a labor weapon—has become virtually a memory. Figures on that were given to the Supreme Court by Mr. Fahy, general counsel of the National Labor Relations Board. He pointed out that in March 1937 there were 137 such strikes, the greatest number in any one month during the period before the act had been passed on by the Supreme Court, when the maximum confusion existed, and after the Court acted there was an immediate drop in April to 52, and a continuous drop ever since until today there is only a handful of workers who have been concerned in any such strikes.

The New York Journal of Commerce is not known as an advocate of the Labor Relations Act, but on November 2, 1938, that paper told its industrial and business readers that—

Losses of industry and workers due to strikes in the final quarter of 1938 promise to be at the lowest level in some years.

And further that—

Recent National Labor Relations Board decisions have concluded many disputes.

MR. HOUSTON. Mr. Chairman, will the gentleman yield? MR. VOORHIS of California. Yes.

MR. HOUSTON. Is it not true that during the fiscal year 1938 the Board had approximately 12,000 cases before it, and disposed of over 9,000, and only a very small percentage went to trial?

MR. VOORHIS of California. Yes; only about 5 percent went to trial. All the rest were settled with that. You cannot destroy the legitimate right of labor to organize and bargain collectively. Violence takes place where that right is resisted. The work of this Board has been in large measure to prevent industrial disputes over the right of organization.

THE CHAIRMAN. The time of the gentleman from California has expired.

MR. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

THE CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

MR. RICH. Mr. Chairman, reserving the right to object, I would like to have 5 minutes. How many will have an opportunity to speak on this?

MR. WOODRUM of Virginia. I see six gentlemen on their feet at this time. It seems to me that 20 or 25 minutes should be sufficient. Other amendments are coming to this section. I ask unanimous consent, Mr. Chairman, that the debate close in 20 minutes on this particular amendment, and let the Chair divide the time between the gentlemen.

THE CHAIRMAN. Is there objection to the request of the gentleman from Virginia that the debate on this amendment be limited to 20 minutes?

MR. RAMSPECK. Mr. Chairman, reserving the right to object, this is a very important matter. I hope the gentleman will extend that and give me 5 minutes.

MR. WOODRUM of Virginia. Mr. Chairman, I modify the request to make it 30 minutes.

THE CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE CHAIRMAN. The gentleman from Michigan [Mr. Hook], the gentleman from California [Mr. THOMAS F. FORD],

the gentleman from Pennsylvania [Mr. RICH], the gentleman from Illinois [Mr. KELLER], the gentleman from Pennsylvania [Mr. DUNN], and the gentleman from Georgia [Mr. RAMSPECK] will each be recognized for 5 minutes.

The gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Chairman, the age-old question of capital and labor is now being discussed.

I am rather proud of the record that has been made by the National Labor Relations Board under the Labor Act. When you strip it of all bias on the part of those who are antilabor, you will find that they have done a magnificent job.

This Board had before it a total of 19,176 cases since the fall of 1935, and on January 1 of this year there were only 4,094 cases pending. They had all been disposed of except that number. There were 7,931 consent election cases. Those were victories for the employees. However, when you stop to consider that there were 2,360 cases, or 16 percent, involving 302,324 workers dismissed by the Board and regional directors, you will see that those were victories for the employers. When they say that the employer is not given a chance before this Board they deliberately misstate the facts.

Mr. HOFFMAN. Will the gentleman yield right there?

Mr. HOOK. I doubt whether I will yield to the gentleman.

Mr. HOFFMAN. Well, make up your mind one way or the other. It does not make any difference to me.

Mr. HOOK. I think the gentleman's prejudice and bias is such that his judgment would not be good on the question.

When we look at the record of the sit-down strikes, we find that in March of 1937 we had 438 sit-down strikes. From January to August 1937 we had 438, but in the same time in the following year we only had 38. Why? Because the Supreme Court of the United States validated the National Labor Act, and the National Labor Relations Board stepped into the picture and handled the cases as best they could. They had a large job on their hands. They still have. They are being fought from all sides by those who do not want collective bargaining and those who want collective bargaining but want to have it all to their own liking.

Many years ago a great labor leader said the labor question should be "thought out—not fought out." The only way the labor question can be thought out is by a board such as the National Labor Relations Board. Being an attorney, I know it does not make any difference which side wins a lawsuit—the opposite side is not satisfied with the decision. No matter what the decision of the National Labor Relations Board in any case, the employer would not be satisfied. In the case of a controversy between unions, the union which loses its case is not satisfied. It is up to us to look at the record; to look at what has been done; look at the situation today as compared to the conditions that existed before the creation of the Board, and you will find they have done a wonderful job. They should be allowed to go on to do a better job in the future.

In 1935 we knew exactly why we passed this act. The past history of American industrial relations has been a shameful record of the attempts of American workmen to speak in their own behalf through organizations of their own choosing and the defeat of these attempts by overpowering employer strength. For example, the great United States Steel Corporation, founded at the beginning of this century on the announced policy that it would never deal with worker organizations, maintained and enforced that policy, bringing about an untold loss of lives and money. And so with other great American industries—coal; and more recently the newer industries of rubber, aluminum, glass, and automobiles.

The rights of workers were recognized in law. Yes, 18 years ago Chief Justice Taft, speaking from the Supreme Court Bench, said that a single employee was helpless in dealing with his employer and that the right to organize into unions was a just and legal one. But it was not until 1935, through this act, that we provided an instrument to enforce that legal right.

Do not think it was generosity on the part of Congress. American workmen have grown up. In the past century we

imported foreign labor to make our steel, dig our coal, and build our railroads. Their grandchildren have grown up in American schools. They believe in democracy, and a democracy is a way of life. We told them under the N. R. A. that they had the right to organize. We clinched that right by passing this act. And what happened?

Industrial employers still lived in the nineteenth century. Ignoring the letter and the spirit of the act, they so much as said that they were above the rulings of this Board. They tied its hands in a hundred and one injunction suits, but the Board fought back. It fought to enforce this law to the letter. If it had not—if it had sidestepped and evaded its duty, then you really would have seen an overwhelming number of strikes. The Board kept its course. It held hearings. It established precedents on a sound legal basis, built up a body of labor law in accordance with the act as we wrote it. We ought to be proud of this Board. With propaganda against it, with corporation lawyers saying it was unconstitutional, it stuck to its job, and on April 12, 1937, the Supreme Court of the United States upheld it in five cases. The Court said its procedure was fair and that every move it had made was constitutional—just the contrary of what its very vociferous critics had prophesied.

Why should not this Congress be proud of an agency which took our law and under great difficulty and age-old prejudice made it work in such an equitable manner that it was clearly vindicated in a court which had to reverse all of its previous thinking in order to do so?

Why? Because it annoyed some employers to have to accept this procedure of collective bargaining. Before the Supreme Court upheld it the Board made 60 cease and desist rulings and only one employer obeyed it. However, immediately following that decision, United States Steel, International Harvester, and Goodyear Rubber—all of them under investigation by the Board—decided to give up their company unions and obey the act. The Jones & Laughlin Corporation, test case in the Supreme Court, let the Board conduct an election. Twenty-five thousand employees voted for a trade union. The company accepted their vote, recognized their union, gave it a contract, and began the most peaceful era of labor relations it had ever known.

That is why we passed this act—to get employers and employees living at peace with each other. We have what we want and do not know it.

This Board began to operate as we had hoped as soon as its validity was established, and in spite of the A. F. of L.-C. I. O. controversy which arose to harass it the Board has handled 20,000 cases and written 15,000 of them off the books. It has peacefully settled 8,000 cases involving a million and a half workers. It has found for the employer in 5,000 cases by dismissing actions against them or getting the unions to withdraw the cases. Does that fact surprise you? Then look at the record. There is nothing secret about it except that the Board has seen fit to settle these cases quietly and without the fanfare of publicity. Shall we blame it for that? Perhaps. For the charge might well be made that the Board stands guilty of excessive modesty when its opponents can spread the report that it encourages strikes, when, as a matter of record, it has settled or averted more than 2,000 strikes involving half a million workers.

Another half million workers marched to the polls and cast their secret ballots for representatives in more than 1,700 Board elections.

I say this is an amazing record. I say the Congress should grant the Board's appropriation and give it a vote of thanks. Thanks for stopping 2,000 strikes. Thanks for upholding the right of collective bargaining so honestly.

This Board has far less than 1,000 employees scattered over the 48 States and Hawaii. It has more pages of testimony to review than all the other quasi judicial agencies combined. Its employees work nights and Sundays to keep up. They are making effective the rights of workers to which America has given lip service for generations. Cut them down. Make their task impossible. But be prepared for the worst wave of strikes we have ever known. American labor means to

have protection for the right to bargain collectively. To deny that justice is folly. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from California [Mr. THOMAS F. FORD] is recognized.

Mr. THOMAS F. FORD. Mr. Chairman, the National Labor Relations Board was created primarily for the purpose of protecting the men who work in their right to select their own representatives to bargain collectively on wages, hours, and working conditions. The employer by reason of his superior financial position and prestige in his community has always had all kinds of protection, including that afforded by the courts. This act was the first attempt to give to labor rights which, while guaranteed by the Constitution, have been uniformly denied by the great majority of employers.

We have heard a great deal about the sit-down strike. One would think the National Labor Relations Board invented the sit-down strike; but the gentlemen who are criticizing the labor unions for utilizing the sit-down strike, which nobody is particularly anxious to sanction, never say one word about the lock-out. Do you remember about the lock-out? What was it? It was not only a lock-out but it was a knock-out, because many of the great industrial concerns employed thugs and strong-armed brutes of all kinds to go out and beat up men who were trying to get a decent day's pay for a hard day's work.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. No; I do not.

Mr. HOFFMAN. Not for a question?

Mr. THOMAS F. FORD. Not for anything.

Mr. HOFFMAN. Not to tell us when the last lock-out was?

Mr. THOMAS F. FORD. Not to you. The gentleman is speaking out of order, Mr. Chairman.

Now, my friends, the gentleman from New York [Mr. TABER] comes here with an amendment to strike out the National Labor Board's appropriation. I do not like to use the word which I would like to use in connection with that kind of subterfuge. I am convinced that the real purpose behind it is to repeal by a shabby trick the National Labor Relations Act. If that is your purpose, why not openly say so? That would be the courageous thing to do.

You are going to find, when the vote on this comes, that the bulk of the opposition will come from the other side. This will demonstrate to the people of the country whether the Republican Party is so much in favor of labor as many of its speakers and candidates professed during the recent campaign.

This Board has accomplished, as figures presented on the floor show, a very distinct service to both industry and labor. It has operated to diminish, not increase, labor troubles, except for the period of organization and pending the Supreme Court's decision as to its constitutionality. I think it is the duty of Members of this House to protect the bill that the Appropriations Committee has brought in and refuse to amend it in this particular, for it is not an amendment but an underhanded attempt to nullify the act.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. THOMAS F. FORD. No; I have finished.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. RICH] is recognized for 5 minutes.

Mr. RICH. Mr. Chairman, as just stated by the previous speaker, that this is a political issue, I can see where there is no political issue in the N. L. R. B. In the first place, money has been appropriated to carry on this work until the 1st of next July, and the present operation should not suffer. If this act is properly amended, a deficiency appropriation can be made for the purpose of carrying on the work of the N. L. R. B. after July 1 of this year, but it must be conducted in a manner fitting to our American institutions and our American life.

Last summer, in the year 1938, Mr. William Green, president of the A. F. of L., made this statement—and I quote:

No hostile employer in America has done the cause of labor more harm than those who fomented, executed, and administered the

policies of the Committee on Industrial Organization during the past 18 months.

This came from the lips of a man who has been a labor representative all his life, a man who has worked, a man who knows the conditions of labor, a man who is trying to help, aid, and assist labor in every possible way.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. RICH. Not right now. I will later if I have the time.

Mr. Chairman, I am in sympathy with the idea that labor has the right to organize, unmolested from industrialists or radical labor organizers. I do not think any Member of the House of Representatives wishes to deny labor this privilege; but to let the situation continue where responsibility is incumbent only upon manufacturers and business, where there is no responsibility whatsoever on the part of labor, is very unjust. The Federal Government requires rigid compliance by manufacturers and employers of labor but gives permission to labor to do the things radical labor wants or compels it to do without assuming any responsibility. It is my belief that where there is a contract between manufacturers and labor, the responsibility and obligations of the contract should rest equally on manufacturers and on labor. That is just; that is honest; that makes for good regulation and good government.

During the past 2 years of our national life there have been more strikes than in any other like period in the history of this Nation. There is certainly something wrong when the people of this country come to the point that they deem it advisable to settle their disputes through the method of the strike. This method causes both labor and business to suffer as well as all the people. The logical thing to meet such a situation is a fair-minded board to settle the disputes before the point of a strike is reached so that both employers and those who want employment will have the opportunity of going ahead without losing time, without the industry being shut down. Therefore this law should and must be changed if we want to put 12,000,000 people back to work in industry and agriculture.

Mr. HOUSTON and Mr. SACKS rose.

Mr. RICH. Mr. Chairman, I must decline to yield, for my time is so limited. I am unable to do so.

Mr. Chairman, our greatest gift to labor today is employment, and at good wages, where men can find contentment and happiness and secure those things of life that good work and wages afford, but I ask how this can be given when the manufacturers, the industrialists, the farmers, and the businessmen are afraid to proceed with development that would give employment? This fear is caused by the difficulties they encounter in trying to administer their affairs. Businessmen today want to get out of business rather than to continue in business, and the action and decisions of the N. L. R. B. is more responsible for this condition than anything else I know of. So I say to the Members of Congress that the duty confronting us at the present moment is that of correcting the laws that have been placed on the statute books. This method probably is not the best course to that end, but it is one way to accomplish it. We all know that Mr. Green would never have made such a statement as I quoted a few moments ago were the laws of this country all just and administered in the true interests of labor. If jobs are to be provided for people, then conditions must be brought about to restore the confidence of business, so that business and labor can go ahead hand in hand. This is the kind of cooperation we want, and this is the kind of administration of our laws that we want, to the end that the rights of both capital and labor are safeguarded, to the end that the manufacturers, the employers, and the employees of this country may go forward hand in hand to make this a greater country for all people. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Illinois [Mr. KELLER] is recognized for 5 minutes.

Mr. KELLER. Mr. Chairman, lest we forget, it seems to me that the attention of the House should be called to the fact that it is now just 100 years since we ceased putting men in jail in the United States of America for asking for better wages

or better working conditions. It has taken this 100 years and the experiences of the men who have done the work of the country during this time to come to the point where the National Congress recognized, and passed a law upholding, the right of labor to organize collectively under its own leadership.

That is exactly what the National Labor Relations Act means. The American people have grown from the point where under the old common law it was called conspiracy and men put in jail even in our own country to the point where we no longer recognized that principle. On the contrary, we hold that the right of men to organize is a fundamental human right, and it has been so held by the courts every time they have had a chance to decide the matter.

It does seem to me that we ought to bear this in mind when we discuss this entire question. It is not just a temporary thing we are talking about here this morning. Unfortunately, it has been brought up in a way that it should not have been brought up. It should not be considered in this manner, because if we are going to consider this law on its merits, as has been pointed out here, the whole matter should go to the Labor Committee, hearings should be held where everybody who objects to the present provisions may be heard, and a decision arrived at fairly and squarely, to be laid before this body for its decision. That is the only rational way to handle it. Therefore, it seems to me it is going a long way from the proper method to do the thing the gentleman from New York is insisting on our doing this morning.

Mr. LELAND M. FORD. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from California.

Mr. LELAND M. FORD. The gentleman does not mean to infer by his remarks that these men were put in jail in California for insisting upon their right to organize?

Mr. KELLER. I did not talk about California. I am giving you the historic view of it.

Mr. LELAND M. FORD. I want the RECORD to show they were not put in jail for that.

Mr. KELLER. If the gentleman has not studied the matter from an historic standpoint, he will find a great deal of information along that line which may open his eyes to the things that the Labor Relations Board is bringing out. I do not know the case the gentleman refers to, and I doubt whether he does, though he may.

Mr. SACKS. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. SACKS. The gentleman from Pennsylvania [Mr. RICH] inferred that William Green and the American Federation of Labor are for this amendment. Did the gentleman hear anything like that?

Mr. KELLER. No; I never heard anything like that, neither did he and neither did anybody else.

Mr. RICH. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I say I did not infer the American Federation of Labor is for this amendment.

Mr. KELLER. Then the gentleman is excused.

Mr. RICH. I would not be ignorant enough to make a statement of that kind.

Mr. RANDOLPH. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I am certain the gentleman from Illinois is familiar with the act and its workings. We who believe in it realize that there are controversies which arise in the beginning of the administration of such acts as this, but may I say that the Chairman of the Labor Board, a former dean of law of West Virginia University, Mr. Madden, is one of the finest men I have known, and he is fair in every way.

Mr. KELLER. There is no question about that. The truth of the matter is to expect perfection at the beginning of the creation of a board of this kind is nonsense. It is not done that way, because we happen to belong to the

human race and learn through experience, as we are doing and as we are going to continue to do.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Is it not true that during the first 6 or 8 months the Board was trying to function all the employers fought it and took the matter to the Supreme Court for decision?

Mr. KELLER. Unfortunately there were 50 lawyers representing the Liberty League who gave as their united opinion to the manufacturers of this country that the law was unconstitutional. They did the nifty thing of standing up and telling the manufacturers of this country not to obey the law. If workmen had combined and conspired to prevent the enforcement of a law which the Congress had passed and which the President had signed, they would have been denounced as anarchists. These 50 "big-time" lawyers set themselves up as the acting supreme court of the United States. When the manufacturers refused to obey the law, the workers, after a year's abuse from their employers, also refused, saying, "When you make the big ones obey the law we will obey the law." Chaos came and only when the real Supreme Court upheld the law and overruled the Liberty League conspirators did we start toward industrial peace.

During this period, of course, chaos would naturally reign and it did reign; but since the Supreme Court gave its decision, as pointed out by several of the gentlemen who preceded me, we have been establishing peace from that time, which is the true object of the National Labor Relations Act.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, if the amendment offered by the distinguished gentleman from New York is adopted, it will be a big step backward. Since the establishment of the National Labor Relations Board a tremendous amount of good has been accomplished not only for the employees but also for the employers. A great deal of the criticism heaped upon the Board has been unjust. Instead of eliminating the appropriation it should be increased so the Board can continue to do the good work it has done since its creation. For the benefit of all concerned the amendment should be defeated. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair will recognize the gentleman from Missouri [Mr. WOOD] for 2 minutes.

Mr. WOOD. Mr. Chairman, I do not think it is necessary to say much about the pending amendment; however, may I make the observation that the Taber amendment is a glaring example of Republican leadership. [Applause.] We passed the National Labor Relations Act for the purpose of giving the workers of this Nation the right to organize and bargain collectively with their employers. This act to my mind was a Magna Carta for labor. We all know that at this late hour when there are thousands of cases unsettled, some twelve or fourteen thousand, many of the workers of the Nation are desirous of organizing, it would be nothing short of a national calamity to attempt to junk these cases, as numerous strikes and lockouts would immediately occur, thereby creating great confusion in industry.

If we should adopt this amendment chaos would reign. There is no question in my mind but that not only thousands but hundreds of thousands of workers would be on strike within a few months. The Members of this Congress owe it not only to the people but to themselves to keep faith with the workers. We passed the Wagner Act for the purpose of freeing the wage earners of this Nation so they might have the right to organize and bargain collectively and protect themselves and their families in their employment from the aggressions and discriminations of the employers, and so they might have the right to associate with their fellows without molestation or discrimination on the part of the employers. To adopt this amendment would be not only breaking faith with the workers of the Nation but would be an outrage not only to the workers but to the Nation as a whole because it certainly would create turmoil,

strikes, and difficulty. We have set up this great structure to litigate questions of wages, hours, and working conditions. To adopt this amendment and cut off the appropriation for this Board would be to take away from the National Labor Relations Board the right to function. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, as a member of the Committee on Labor and as a Member of this House I am one of those who must assume responsibility for the creation of the National Labor Relations Board, because as a member of the Committee on Labor I helped draft the law and as a Member of the House I helped pass it.

I am not here today to defend the policies of the National Labor Relations Board. I have publicly criticized them on the floor of this House, and did so last year when the appropriation bill was up for consideration. I am pleased to say, however, that I believe that in response to criticism the Board has improved the technique of its operation.

If you wish to abolish the National Labor Relations Board, the courageous way to do it is not to snipe at it by cutting off its appropriation but to introduce a bill to repeal the act. The Committee on Labor is perfectly capable and ready and willing to consider any complaints against the operation of this law. Therefore, I am here today to defend the principle involved in the law, rather than the procedure which a board may have temporarily adopted. I say the principle is unassailable. Under our Constitution, any man has a right to join any organization he sees fit to join, provided it is not organized to destroy our form of government. Labor has this right, and this act was passed for the purpose of making effective the right under our Constitution of the working people of America to belong to any organization they see fit to join and to choose their own representatives for the purpose of negotiating in a free and open and American manner with the men for whom they work. Therefore, Mr. Chairman, let us rest this matter with the Committee on Labor. As one member of the committee, I stand ready to help any Member of this House who wants to get a real review of the operation of this law to obtain consideration by the Committee on Labor of the complaints that have been made against the Board; but I am not willing to assassinate the principle involved in this act by withdrawing financial support from the Board.

I hope the Members of the House will vote down this amendment. If you want a review of the actions of the Board, introduce legislation and refer it to the proper legislative committee for consideration. [Applause.]

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Missouri.

Mr. WOOD. Is it not a fact that most of the criticism centered upon the Board is due to the fact we have a division in the ranks of labor?

Mr. RAMSPECK. I believe that is very largely responsible. It is an unfortunate situation, but it is not the fault of the Board.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The foes of the principle of this bill would try to arouse us to the belief that there is discord in the ranks of labor concerning the measure. The Board no doubt has made some mistakes. Labor, through its organizations, is united in support of the act. There is no such discord, is there?

Mr. RAMSPECK. There is no discord as to the continuation of the Board. There is some dissension in the ranks of labor as to some of the actions of the Board, just as there is as to the actions of other people, but I do not know of any laboring man or any labor organization that does not earnestly desire the continuation of this Board. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I wish to add my protest to the protests that have just been heard against this amendment. This is an unfair way to take care of whatever complaints may have arisen in regard to the National

Labor Relations Act. The proper way to consider, if it is necessary to consider, any complaint with regard to the act, is in the committee where the act originated.

As the gentleman from Georgia [Mr. RAMSPECK] has so well said, the Committee on Labor is ready and willing to hear evidence concerned with the act if and when amendments are considered, but we do not believe that a cowardly, contemptible method such as this is the proper way to adjust complaints or disagreements.

I certainly hope the Members will vote down this amendment. For myself, I believe the act has accomplished a great deal of good, and I also believe that if unity could be established between the two labor organizations many complaints regarding the National Labor Relations Act would disappear. [Applause.]

Mr. RAYBURN. Mr. Chairman, there never has been and never will be a board or commission set up in the Government that will please everybody. It happens to be my fortune or misfortune to have been connected with a great deal of legislation creating boards and commissions. From the committee on which I served came the acts creating the Federal Power Commission and the Federal Trade Commission. I was the author in the House of the three acts the Securities and Exchange Commission now administers. I was the author of the bill that brought into being the Communications Commission.

If I were to vote against appropriations to continue the life and activities of commissions just because they had performed some act or rendered some decision I did not like, then I would be voting, each and every time such an appropriation was proposed, to destroy, yea, in the language of the gentleman from Georgia [Mr. RAMSPECK], to assassinate these commissions. The courageous thing for the gentleman from New York, and those who stand with him, to do with reference to the matter of the National Labor Relations Act is to introduce a bill repealing the entire act and let the bill come before the House and be discussed and given sane consideration, rather than to come in under an appropriation bill, after the board or commission has been set up, and deny that board or commission the money to perform the functions the House of Representatives only a year ago voted by an overwhelming majority to assign to it.

This amendment is typical of many amendments that are offered and many amendments that will be offered, as I understand, to the bill now under consideration.

I have found it wise, after nearly 26 years of service in this House, to follow the committee when I am not absolutely certain of my ground or feel sure I know more about what has happened in the committee or what has happened with reference to the board or the commission or any department of the Government than the members of the committee know after going through extensive hearings and giving the matter long and tortuous consideration.

I think it would be a terrible thing, an inane and an insane thing, to vote down an appropriation for the continuation of this Board, and I do not believe that men on either side of the aisle by a majority vote will do any such thing. [Applause.]

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 5, noes 186.

So the amendment was rejected.

The Clerk read as follows:

Total, National Labor Relations Board, \$3,189,600.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 33, in line 2, after the semicolon following the word "automobile", strike out "\$3,039,600" and insert in lieu thereof "\$3,000,000", and in line 9, after the comma following the word "Board", strike out "\$3,189,600" and insert "\$3,000,000."

Mr. WOODRUM of Virginia. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM of Virginia. Part of the amendment certainly comes too late, because we had read that portion of the bill to which it applies.

The CHAIRMAN. The Chair will state that the gentleman from Michigan [Mr. HOFFMAN] was on his feet, and the Chair was advised that, inasmuch as the amendment related to two different paragraphs of this same section, that it should be read after the reading of the three additional lines. This being no fault of the gentleman from Michigan, and the gentleman being on his feet, the Chair does not think the gentleman should be precluded from offering the amendment.

Mr. WOODRUM of Virginia. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM of Virginia. Is it not correct procedure that amendments should be offered to the paragraph where the bill is being read by paragraphs?

The CHAIRMAN. As a matter of fact, the gentleman is quite correct in his assumption that amendments cannot be offered after the paragraph has been passed. In this instance this was an inadvertence of the Clerk, who thought that the amendment related to the succeeding paragraph, when, as a matter of fact, the gentleman from Michigan [Mr. HOFFMAN] was on his feet and was demanding recognition.

Mr. WOODRUM of Virginia. Mr. Chairman, inasmuch as this is practically a pro forma amendment to give the gentleman an opportunity to make a speech, I withdraw the point of order.

Mr. HOFFMAN. The gentleman does not need to withdraw it, because the Chair has overruled it.

The CHAIRMAN. The point of order, as a matter of fact, would be well taken; but the Chair thinks, under the circumstances, it would be unjust to the gentleman from Michigan to sustain such a point of order.

The gentleman from Michigan is recognized for 5 minutes.

FREE SPEECH AND A FREE PRESS DENIED WITH THE AID OF FUNDS WE APPROPRIATE

Mr. HOFFMAN. Mr. Chairman, the attitude of the Appropriations Committee handling this bill, which contains an item of \$3,189,600 for the use of the National Labor Relations Board, if my understanding of the statement made by the gentleman from Virginia [Mr. WOODRUM] and the gentleman from Illinois [Mr. DIRKSEN] is correct, is that, so long as legislation passed by Congress remains upon the books, it is the duty of the Appropriations Committee to allocate funds to the agency charged with the enforcement of the law, regardless of the interpretation placed upon the law by the enforcing agency and of the manner in which it is using the funds appropriated.

With that theory I cannot agree and this bill shows clearly the error in their reasoning. They contend that, if the law is not appropriate for the purpose for which it was passed, or if we no longer are in accord with the policy established by the law, we should either repeal or amend the law, and that proposition is sound. Unfortunately, the error is not so easily rectified.

A majority of this House know, and an overwhelming majority of the people of the country demand, that the provisions of the N. L. R. A., commonly known as the Wagner law, be changed. About this there is no doubt.

Nevertheless, there are many of us who realize that it may be a long time before a bill is brought out on the floor of this House repealing or amending the Wagner law—this for the reason that the administration seems to be opposed to its amendment; we know that John L. Lewis and his C. I. O. are opposed to it; and this Congress is still greatly influenced by the wishes of the administration.

This law is being used by the present N. L. R. B. in violation of the first amendment to the Constitution, which provides that—

Congress shall make no law * * * abridging the freedom of speech or of the press.

Just why should we appropriate money which the N. L. R. B. uses in part to suppress freedom of speech and of the press?

Just why should we wait before remedying the wrong which is being done to our citizens until some committee in the House or Senate sees fit to release for our action a bill which would correct the situation?

If we cut this appropriation by \$39,600, it will serve as a warning to the Board to cease its wrongful, its arbitrary, and its un-American interpretation of the law.

So long as it is my privilege to remain in Congress and the Wagner Act remains unamended, the attention of the Members of the House will be called, as I am able to gain the floor, to the necessity for the amendment of that act.

Let me give you a few facts which cannot be contradicted and which show clearly that the Board denies the right of free speech, the freedom of the press, to some who are opposed to its views.

Under the Constitution certain members of the C. I. O. have exercised their right to free speech and, by their utterances, have coerced workers into joining the C. I. O. But the Board holds that neither an employer nor an employee, using the speech of a Congressman made on the floor of the House, can intimate to employees that they are not required to join the C. I. O. in order to get or retain a job.

On the 8th day of April 1937, Richard Frankenstein, a C. I. O. organizer, speaking in Detroit, said:

Henry (meaning Ford) will either recognize the union or he won't build automobiles.

About the same time John L. Lewis made this statement:

Henry Ford will change his mind or he won't build cars.

Here are unequivocal statements by two men who had at their command thousands upon thousands of men ready to do their will, telling a manufacturer of automobiles that he must deal with them or discontinue his business. They were, in effect, telling his employees that they would either join the C. I. O. or they would be out of a job. They exercised the right of free speech.

Our Supreme Court has held in the case of DeYoung against Oregon, decided in 1937, Two Hundred and Ninety-ninth United States Reports, page 353, that even the Communist, under this amendment, had the right to speak freely and to freely write his thoughts advocating the overthrow of our Government, the executive, the legislative, and the judicial branches.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; just briefly.

Mr. COX. I am prepared to agree with the gentleman that this Board and its organization has been, in aggregate, a butcher of the rights of the people, but will not the gentleman agree with me that there is great force in the position taken by the gentleman from Georgia [Mr. RAMSPECK] and by the leader of the majority, the gentleman from Texas [Mr. RAYBURN], that so long as it is in existence, funds ought to be appropriated for it to carry on its work in a proper way.

Mr. HOFFMAN. Funds should be provided and they are provided in this bill for the proper activities of the Board, and the only object of this amendment is to intimate to the Board that we have no sympathy with the construction they place on the act which deprives a man of the right of free speech and freedom of the press guaranteed under the amendment to the Constitution.

Let me continue the argument to show that the right of free speech exercised by the Communists under the provisions of the first amendment and in which they are protected by the decisions of the Supreme Court is denied to the employer by the activities of this Board.

Henry Ford, evidently believing that he had the right of free speech and a free press, gave his viewpoints on labor organizations, and, among other things, he told not only his employees, but all who cared to listen or to read his pamphlets, that no man desiring work need to pay anyone to get a job with the Ford Motor Co.

This Board, to whom we are today asked by the C. I. O. to give \$3,230,000, held that that statement made by Ford, advising his workers and others who might be seeking jobs that

it was not necessary for them to pay John L. Lewis' organization in order either to get a job or to hold a job in the Ford Motor Co., was an unfair labor practice.

After litigation in the circuit court of appeals and in the United States Supreme Court the Board was permitted to withdraw and vacate its order.

After further proceedings, the trial examiner, by his intermediate report dated November 7, 1938, while finding in favor of the Ford Motor Co. on all the issues raised by the amended complaint, again held that the giving to the employees of the Ford Co. at the Chicago plant of the pamphlets, setting forth Mr. Ford's views, was an unfair labor practice.

If Homer Martin may be permitted, as he was permitted in the winter of 1937, speaking to a meeting of some 50,000 people on the streets of Detroit, to say that, "The Supreme Court of the United States is the greatest threat to democracy in the United States outside of fascism"; if Frankenstein can tell the workers of Detroit, as he did and as he is permitted to do, that Ford will either recognize the union or he will not build automobiles; if John L. Lewis can tell Henry Ford, through the public press, that he "will change his mind or he won't build cars," why, I ask you, cannot Henry Ford tell his employees that they need not pay tribute to John L. Lewis in order to work for the Ford Motor Co.?

Why should we appropriate money to further the activities of a board which denies to an American citizen the right freely to express his opinion, when the Supreme Court protects a Communist in the expression of his views?

On the 1st day of June 1937, on the floor of this Hall a talk was made by me, pointing out that many of the activities of the C. I. O. in the sit-down strikes in Michigan were directed by and carried on in the manner approved by the Communists. Later, that speech was republished with illustrations.

Seeking to force all the employees of the Muskin Shoe Co. at Westminster, Md., into its organization, the C. I. O. was conducting an organizing campaign. One of the employees, who was opposed to the C. I. O. secured and distributed to some of his fellow workers in the plant reprints of the speech made on the floor of Congress which contained the illustrations added by the Constitutional Educational League.

On July 5, 1938, this National Labor Relations Board held that the Muskin Shoe Co. was guilty of an unfair labor practice because it permitted one of its employees to give to some of his fellow workers copies of that speech as illustrated. It thus denied, not only to the Muskin Shoe Co., but to the employee who distributed the speech the right of free speech and of a free press.

Trial Examiner Hugh C. McCarthy on June 24, 1938, held in the case of Cooper, Wells & Co., which had factories at Decatur, Ala., and in Berrien County, in the Fourth Congressional District of Michigan, that the company was guilty of an unfair labor practice because an employee of that company distributed copies of that same speech to some of his fellow workers.

On February 7, 1938, a regional director for the Board filed his intermediate report in which he complained because the Charles S. Harrison Post of the American Legion of Columbus, Ga., had adopted a resolution which quoted at length from the speech made by me on the floor of this House on the first day of June 1937, in which it was pointed out that the C. I. O. was following in the footsteps of the Communists.

Note this now, if you will, an American Legion post is condemned because it calls attention to the subversive activities of the C. I. O.

The Chairman of this Board, it has been said, has not gone so far in construing the law against the employer or the independent worker as have the two Smiths, but even the Chairman takes the position, as will be seen by reading pages 1575 and 1576 of the hearings, that if the relation of employer and employee does not raise a presumption of undue influence it does place the employer in a position of enormous influence over the employee.

Mr. Madden was asked, in substance, if an employee went to an employer and attempted to discuss organization activi-

ties, the formation of a union, or to seek advice as to affiliation with any labor organization, as to whether he should join the A. F. of L., the C. I. O., or a company union, what position the employer should take, and he replied:

I have no doubt whatever as to what I would advise an employer to do in those circumstances. I would advise him simply to say to his man, "I am sorry, but the spirit of this law asks me to keep my hands off your organization affairs."

Here we have a fair, square statement to the effect that the employer has no right as an American citizen to answer an employee's question on a matter which vitally concerns each of them.

The United States Supreme Court, in *Near v. Minnesota* (283 U. S. 697), has clearly defined the meaning of the first amendment. That same Court upheld the right of the citizen to circulate pamphlets in 1938 when it decided the case of *Lovell v. Griffin* (58 S. C. R. 666).

The N. L. R. A. has been held to be constitutional by the Supreme Court of the United States, and it must be assumed that the act did not intend to run counter to the first amendment of the Constitution. In fact, in *National Labor Relations Board v. Union Pacific Stages* (1938) (99 Fed. (2d) 153) the Circuit Court of Appeals for the Ninth Circuit held that the act was never intended to violate the Constitution of the United States.

It further held that it was not intended to prevent the free expression by an employer of his opinion as to whether or not his employees should or should not be required to join a union.

If I read that decision correctly, the Court held that if such a construction be given to the act then the act itself would be unconstitutional.

A trial examiner of the Board having again, on November 7, 1938, held that an employer who tells an employee or one looking for a job that he need not join any particular union in order to obtain or to hold that job is guilty of an unfair labor practice, and that holding being directly contrary to the first amendment and to the decisions of the United States Supreme Court, we should cut this appropriation to this Board as a warning to it that it should proceed in a lawful way and subject to the provisions of the Federal Constitution. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate upon this amendment close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, in answer to the gentleman from Michigan [Mr. HOFFMAN] it has never been contended either by the distinguished chairman of this subcommittee or myself that any Member of this House or this committee should be precluded in his right to offer any amendment to any section of this bill, to strike out any portion, or to strike out whole paragraphs of the bill. I simply defend the procedure and the authority of the Committee on Appropriations. The Congress passed the Wagner Act. Under that act the National Labor Relations Board was set up and under the Budgetary and Accounting Act of 1921 it is their business to come before the Committee on Appropriations and there justify the amount they request and justify the efficiency of the expenditures they make.

There is, therefore, no basis for the contention the gentleman from Michigan [Mr. HOFFMAN] made at the outset, and it is evidenced by the fact that an amendment was pending here a while ago to strike out the whole paragraph. If the House wishes to do so, it is quite all right; but the members of the subcommittee listened to testimony from members of the Board, from the Secretary, from the fiscal agent of the Board, and then determined in their best judgment what is necessary in order to articulate the functions of the Board for the next fiscal year. To show you how abortive and how fruitless and futile the efforts of the gentleman from Michigan are, if you strike out \$39,600 under this amendment, the Labor Board can discharge 25 stenographers, and that is as

far as it will go. It will not vary or alter or determine the policy in one iota or particular. It does not change the attitude of the members of the Board. It does not change one circumstance of policy, and it is a rather vain and fruitless way of going about an effort to penalize the Board, whose philosophy is probably not agreeable to the gentleman from Michigan. I stated on this floor yesterday, and stated in rather caustic and critical terms, that I did not agree with everything that the Board has done. I take exception to the viewpoint and the philosophy that has been expressed by some members of the Board, but I am not so naive as to think that I am going to change that policy by knocking \$39,600 off their appropriation.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. With pleasure.

Mr. HOFFMAN. Does the gentleman think it would be of any value to them to know that we do not approve of that, that we cut that out?

Mr. DIRKSEN. How shall the Board understand that the gentleman from Michigan has that in mind, when he simply strikes \$39,600 off the total appropriation? The Board is under no obligation to infer that it was meant to change their policy, and so the amendment of the gentleman from Michigan has no value whatsoever in determining what the Board ought to do in the future. As has been stated, I think the Wagner Act ought to be amended in some particulars—in two that have come to my attention out of experiences in my own county that have impressed themselves on my attention, but this is not the way to go about it.

Mr. HOFFMAN. Then I ask the gentleman if he approves of this statement of Mr. Madden, on page 1576 of the hearings, wherein he said that if an employee came to the employer and asked his advice that Mr. Madden would say to the employer that he should not advise him at all, and whether or not the gentleman is in favor of an amendment to take care of things like that?

Mr. DIRKSEN. And I answer that by asking the gentleman this question: How will the gentleman's amendment in any way affect the statement that Mr. Madden made then, or in any statement that he makes in the future?

Mr. HOFFMAN. Very well. If we cut this and if he sees the debate and understands why it was offered it might be a reminder not to make a decision of that kind.

Mr. DIRKSEN. All he will understand is that one out of 435 Members sought to strike out \$39,600 because he did not agree with some principle or policy of the Board. Certainly that is not going to be very persuasive either in this body or to the Board.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Is it not a good time when we discuss giving these departments money, to scold a little and offer suggestions?

Mr. DIRKSEN. Yes, indeed.

Mr. GIFFORD. Then I want to ask the gentleman, did not the Board and its personnel encourage strikes?

Mr. DIRKSEN. That is a matter of high controversy.

Mr. GIFFORD. We could not have had more strikes if we had two boards.

Mr. DIRKSEN. Certainly I cannot ventilate that now. It would take several hours. I could make a very persuasive statement about it.

Mr. GIFFORD. It is a good time to talk about it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I believe the action of the House on the amendment offered by the gentleman from New York [Mr. TABER] and the debate which has followed has somewhat clarified the situation. Certainly it would be most unfortunate if the committee pursued the very questionable policy of trying to show its displeasure toward departments, because they do not agree with some action they have taken either on a matter of policy or a matter of personnel or appointments or whatever it might be, and chip a little bit off of their appropriation. That is a

species of legislative coercion. If a department or a commission is not acting and functioning in the way that Congress thinks it should, the way is wide open to amend the organic law or to abolish the commission.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. GIFFORD. Does not the gentleman's memory serve him that in years past he has tried the same thing himself?

Mr. WOODRUM of Virginia. I do not think so, but, of course, one of the things that a good legislator ought to do is to change his mind if he has erred.

Mr. GIFFORD. If my memory serves me, it was often done on your side of the House, that I think you yourself must have done it sometime.

Mr. WOODRUM of Virginia. I may have engaged in it. In 16 years' experience under the administrations I have served, I no doubt have a lot of sins to answer for.

Mr. GIFFORD. I just wanted the gentleman to recognize that there is nothing novel about this.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield briefly.

Mr. O'CONNOR. The law is administered in just about the same fashion as is the Federal Trade Commission. The significant thing about this whole set-up is that out of 15,082 cases that were filed only 6 percent ever went to a decision before the Board.

Mr. WOODRUM of Virginia. That is correct. The fact is the committee has gone into this matter very carefully. We have made appropriations for the National Labor Relations Board, and we have given them an increase of \$264,000 over their appropriation for the current fiscal year. We made a slight reduction of \$40,000 in their clerical help. While it would be most unwise for Congress to undertake to try to penalize a board or a commission because it did not like them, on the other hand it would be equally stupid and foolish to set up the criterion that because we do like them and because they are popular and because a lot of telegrams have been sent, we are going to go hog wild and open the doors of the Treasury to them. So I want to ask the committee to respect the calm and deliberate consideration of the subcommittee which handled this matter. Our appropriation gives the Board \$264,000 more than the current fiscal year, and in the estimation of the committee it is ample to enable them to carry on the functions for which they were created.

I hope that later on when amendments are offered to increase the amount the Committee of the Whole House will permit the action of the subcommittee to stand.

I yield now to the gentleman from Michigan.

Mr. HOOK. Mr. Chairman, the gentleman from Michigan [Mr. HOFFMAN] in making his statement referred to free speech. I want to call the attention of the gentleman to the fact that previous to the enactment of the National Labor Relations Act, when a worker went out and tried to organize a union he was brought into the office of the employer, and even though he had a family, even though that family needed food, the employer said to him, "You are out talking union organization. You are fired from this plant." What did that man at that time think of free speech? Where was the protection of free speech to him? When he went out with a piece of union literature in his pocket and he was fired for that, what did he think about free press? He has now free speech, at least, under the act.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The Clerk read as follows:

SOCIAL SECURITY BOARD

Salaries and expenses: For all authorized and necessary administrative expenses of the Social Security Board in performing the duties imposed upon it in titles I, II, III, IV, VII, IX, and X of the Social Security Act, approved August 14, 1935, including three Board members, an executive director at a salary of \$9,500 a year, and other personal services in the District of Columbia and elsewhere; travel expenses, including not to exceed \$10,000 for expenses

of attendance at meetings concerned with the work of the Board when specifically authorized by the Chairman and not to exceed \$5,000 for travel in foreign countries; not to exceed \$10,000 for payment of actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses of persons serving while away from their home, without other compensation, in an advisory capacity to the Social Security Board; expenses of packing, crating, drayage, and transportation of household goods and other personal effects (not to exceed in any case 5,000 pounds) of officers and employees when transferred from one official station to another for permanent duty, when specifically authorized by the Board; supplies; reproducing, photographing, and all other equipment, office appliances, and labor-saving devices; services; advertising, postage, telephone, telegraph, and not to exceed \$900 for teletype news services and tolls; newspapers and press clippings (not to exceed \$1,500); periodicals, manuscripts and special reports, purchase and exchange of lawbooks and other books of reference; library membership fees or dues in organizations which issue publications to members only or to members at a lower price than to others, payment for which may be made in advance; alterations and repairs; rentals, including garages, in the District of Columbia or elsewhere; purchase and exchange, not to exceed \$25,000, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles to be used only for official purposes in the District of Columbia and in the field; and miscellaneous items, including those for public instruction and information deemed necessary by the Board, \$22,000,000: *Provided*, That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase by the Board when the aggregate amount involved does not exceed the sum of \$100: *Provided further*, That the Board may expend not to exceed \$25,000 of the sum herein appropriated for temporary employment of persons or organizations, by contract or otherwise, for special accounting, actuarial, statistical, translating and reporting, engineering, and organizational services determined necessary by the Board, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5), and the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided further*, That no salary shall be paid for personal services from the money herein appropriated under the heading "Social Security Board" in excess of the rates allowed by the Classification Act of 1923, as amended, for similar services: *Provided further*, That this latter proviso shall not apply to the salaries of the Board members nor to the compensation of persons or organizations temporarily employed for the special services described in the second proviso of this paragraph.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 42, line 21, strike out "\$22,000,000" and insert "\$21,450,000."

Mr. DIRKSEN. Mr. Chairman, first let me say that this amendment is practical and it can be practically applied. This bill carries \$22,000,000 for salaries and expenses for the Social Security Board. They were authorized to spend \$22,500,000 by the Budget, but we cut them \$500,000 in the subcommittee. It is my belief this could be cut just a little further, and so I restore the figure to \$21,450,000, which was the amount available to them during the fiscal year 1939 for administrative expenses.

It is a matter of controversy and opinion as to whether the Board should be given more. My own opinion is that we could slice off another \$550,000 and not do injustice to the Security Board or cripple their functions in any respect. Let me tell you why. They have, for instance, an informational service getting out pamphlets, writing speeches, making broadcasts over the radio, and that sort of thing, in which they employ 91 people. For this they have asked \$295,540. It looks to me as though the pattern of the Social Security Act has been pretty well established and that there are opportunities for economy. Certainly, they could economize in this particular bureau by diminishing the number of people who are now writing speeches and pamphlets. Offhand, it seems that to have 91 people engaged in this kind of work in a single bureau in Washington is a little too much. Then, they have a Bureau of Research and Statistics, whose work has been going on for a long time. It is my better judgment that they can be reduced. At the present time they have over 206 people working in the Research Bureau and have asked for \$514,900 for this service. They have a large staff in the general counsel's office; as a matter of fact, they have 154 lawyers in the Social Security Board in Washington today, and they are asking \$460,900 for this purpose.

Insofar as we were able to cross-examine the administrative staff before the committee, it was my deliberate judgment that there could be economies, that there could be consolida-

tions of functions, and that we are entirely justified in slicing another \$550,000 off of the appropriation, so that it will be reduced to \$21,450,000, the amount that was carried in the 1939 act. As this thing grows they will have thousands and thousands of employees. They have not reached their full personnel stature as yet. I rather hesitate to think to what proportions the Social Security Board will grow unless we serve notice on them that we are going to demand some economy; and, as I say, this amendment is entirely practical, because it simply means a diminution of jobs that are not absolutely essential. I hope the Committee will support the amendment.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. What is the nature of the speeches that are prepared by these 90 employees?

Mr. DIRKSEN. I do not know, but I have a rough breakdown here. They gave out 2,883 newspaper releases. They wrote 484 articles, and they occupied 701 hours of broadcasting time for which they did not have to pay anything. They must, however, have men to devise broadcasting script, to write up releases, and one thing and another; and it seems here is a good place where the Congress can very well economize. I sincerely hope the Members will support this very worth while and practical amendment, because it is in the interest of economy and it will work neither injustice nor hardship upon the Board.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, I think it would be a very dangerous thing further to curtail the administrative expenses of the Social Security Board. The committee, as stated by the gentleman from Illinois, made a slight cut in this appropriation. It must be remembered that the Social Security Board has perhaps the biggest task administratively of any bureau or board or organization which the Government has set up during this emergency. It reaches out into every county, every city, and every hamlet in the Nation. It touches the lives, the habits, the customs, and the hopes and aspirations of all the American people. For this reason it is quite natural that they must have a large force of people engaged in informational and educational work.

I cannot recall readily, but they stated in our hearings the number of communications that come to them. They get inquiries from humble citizens who want to know this and who want to know that, who are asking about the operations of this law; and it has required a large amount of educational work in order to inform your constituents and my constituents of what their duties and their privileges and prerogatives are under this law. It seems to me that for Congress now to be niggardly in the matter of their appropriations would be something that might react upon every Member of this body when my constituents and yours are not able to get the information and the service they are entitled to expect from this Board.

I hope very much that the Committee will not make any further reduction.

Mr. DUNN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. DUNN. If this amendment is adopted, it will mean a number of people will lose their jobs. Instead of adopting amendments which will result in people losing their jobs, we should create more jobs.

Mr. WOODRUM of Virginia. It would cripple the service which this organization is rendering to the forty or fifty million people who are policyholders or clients of the Social Security Board, and I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 80, noes 86.

Mr. DIRKSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WOODRUM of Virginia and Mr. DIRKSEN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 111, noes 130.

So the amendment was rejected.

The Clerk read as follows:

Grants to States for unemployment-compensation administration: For grants to States for unemployment-compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, including rentals in the District of Columbia and elsewhere, \$49,000,000.

Mr. WOODRUM of Virginia. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM of Virginia: On page 44, line 13, after the sign and figures "\$49,000,000", strike out the period and insert a comma and add the following: "of which sum such amount as may be necessary shall be available for grants under title III for any period in the fiscal year 1939 subsequent to March 31, 1939."

Mr. WOODRUM of Virginia. Mr. Chairman, I have shown this amendment to the gentleman from Illinois and the gentleman from Massachusetts. This does not affect the amount provided in the paragraph for grants to States for unemployment compensation administration but merely permits the use of a portion of that during the balance of the fiscal year after March 31. A deficiency item has already been acted upon, which gives the Social Security Board funds for these grants up to April 1. If language is inserted according to the pending amendment, it will permit that Board to use a portion of this money for grants to States for unemployment compensation administration during the remainder of the fiscal year. I understand the gentlemen on that side do not have any objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

The amendment was agreed to.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

For the purposes of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933," approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C., ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, Gilbertsville Dam, and for construction of a dam at or near Watts Bar on the Tennessee River, Tenn., and after preliminary investigations of sites for dams at or near Coulter Shoals on the Tennessee River, Tenn., and on tributaries of said river, and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$39,000,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1939, in the "Tennessee Valley Authority fund, 1939," and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1940 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the "Tennessee Valley Authority fund, 1940," to remain available until June 30, 1940, and to be available for the payment of obligations chargeable against the "Tennessee Valley Authority fund, 1939," and for contractual obligations for the procurement of equipment as authorized in the Independent Offices Appropriation Act, fiscal year 1939: *Provided further*, That in addition to the amount herein appropriated, the Tennessee Valley Authority is hereby authorized to incur obligations and enter into contracts for the procurement of equipment to be installed in dams and powerhouses in an amount not in excess of \$4,000,000, and this action shall be deemed a contractual obligation of the Tennessee Valley Authority and the United States for payment of the cost thereof.

Mr. DITTER. Mr. Chairman, I make a point of order against the paragraph just read, in that, starting with line 17, there is added to the paragraph legislation on an appropria-

tion bill, and I therefore make a point of order against the entire paragraph.

The CHAIRMAN. May the Chair inquire to which page the gentleman refers?

Mr. DITTER. Page 48.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. DITTER. Mr. Chairman, I make the point of order that, starting with line 17, page 48, legislation is provided for granting authority to the Tennessee Valley Authority in excess of that which it presently has by statutory law. There is no existing law providing for the authority that would be exercised by the T. V. A. under this provision, and since it is legislation attached to an appropriation bill I make a point of order against the entire paragraph.

Mr. WOODRUM of Virginia. Mr. Chairman, this language was carried in the appropriation act last year, but the gentleman is correct. It is subject to a point of order, and I concede the point of order. I offer the paragraph with that portion eliminated.

The CHAIRMAN. The Chair is ready to rule.

A similar point of order as indicated by the gentleman from Virginia [Mr. WOODRUM] was passed upon by Chairman Vinson, of Kentucky, on the 28th of April 1937, to the effect that language in a general appropriation bill authorizing the T. V. A. to incur obligations and enter into contracts was held to be legislation and not in order.

In accordance with that ruling, the Chair sustains the point of order made by the gentleman from Pennsylvania [Mr. DITTER].

Mr. WOODRUM of Virginia. Mr. Chairman, I offer the paragraph with the exception of the language beginning in line 17, page 48.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM of Virginia: Page 47, after line 6, insert:

"TENNESSEE VALLEY AUTHORITY

"For the purpose of carrying out the provisions of the act entitled 'The Tennessee Valley Authority Act of 1933,' approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C. ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, Gilbertsville Dam, and for construction of a dam at or near Watts bar on the Tennessee River, Tenn., and for preliminary investigations of sites for dams at or near Coulter Shoals on the Tennessee River, Tenn., and on tributaries of said river and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$39,000,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1939, in the 'Tennessee Valley Authority fund, 1939,' and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1940 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the 'Tennessee Valley Authority fund, 1940,' to remain available until June 30, 1940, and to be available for the payment of obligations chargeable against the 'Tennessee Valley Authority fund, 1939,' and for contractual obligations for the procurement of equipment as authorized in the Independent Offices Appropriation Act, fiscal year 1939."

Mr. STARNES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARNES of Alabama to the amendment offered by Mr. WOODRUM of Virginia: On page 48, in line 4, as printed in the present bill, after the comma strike out "\$39,000,000" and insert in lieu thereof the following: "\$39,455,000."

Mr. STARNES of Alabama. Mr. Chairman, I ask unanimous consent to proceed out of order for an additional 5 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, reserving the right to object, and I shall not object, I should like to see if we can have some understanding about the time for debate on this paragraph. There will be several amendments, Mr. Chairman. I ask unanimous consent that all debate on my

amendment, which is the paragraph, and all amendments thereto, close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. DIRKSEN. Reserving the right to object, Mr. Chairman, I should like to have 10 minutes to present a discussion with respect to the language the gentleman wishes to strike out of that amendment.

Mr. CANNON of Missouri. I should like to have 10 minutes, Mr. Chairman.

Mr. WIGGLESWORTH. Reserving the right to object, Mr. Chairman, may I ask the distinguished gentleman from Virginia if we cannot let the debate run along for a little while before coming to an agreement?

Mr. WOODRUM of Virginia. The difficulty is that if gentlemen are going to speak for 10 or 15 or 20 minutes each, there ought to be some understanding in the beginning so the Members will be advised as to how much time we are going to be able to devote to this subject.

Mr. Chairman, I modify my request and ask unanimous consent that all debate on this paragraph and all amendments thereto close in 1 hour and 20 minutes.

Mr. FADDIS. Reserving the right to object, Mr. Chairman, I have an amendment I wish to offer as a substitute amendment. I want some assurance that I will be able to offer the amendment in this time, or I shall be compelled to object.

Mr. WOODRUM of Virginia. The gentleman will have plenty of time to offer amendments.

The CHAIRMAN. The gentleman from Virginia modifies his request and asks unanimous consent that the time of debate on this paragraph be limited to 1 hour and 20 minutes. Is there objection?

Mr. CANNON of Missouri. Reserving the right to object, Mr. Chairman, I understand that out of that time the gentleman from Illinois [Mr. DIRKSEN] and I will each be allowed 10 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, in view of the great interest shown in this matter, I again modify the request to an hour and a half.

The CHAIRMAN. The modified request is that the time be limited to 1 hour and 30 minutes. Is there objection?

Mr. PEARSON. Reserving the right to object, Mr. Chairman, I should like to inquire of the chairman of the subcommittee, the gentleman from Virginia, whether or not those of us who are on our feet and are interested in this matter are to be given an opportunity to be heard within the hour and a half?

Mr. WOODRUM of Virginia. The time will be under the control of the Chairman. Of course, I do not control the time.

Mr. TABER. Reserving the right to object, Mr. Chairman, will it be the purpose of the Chairman to divide the time between those in favor of the amendment and those opposed to it?

The CHAIRMAN. Insofar as the Chair is able to ascertain the views of the gentlemen who would speak, that is true. Of course, it will facilitate the work of the Chair, if the time is to be limited, if some agreement can be had in advance with regard to which Members shall speak and the length of time they shall use.

Mr. DIRKSEN. A parliamentary inquiry, Mr. Chairman. The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. Is it understood to be a part of the request of the gentleman from Virginia that some Members are to be allotted 10 minutes, including myself?

The CHAIRMAN. The request as presented did not include any such stipulation, but is simply a request that the time be limited to 1 hour and 30 minutes.

Is there objection to the request of the gentleman from Virginia?

Mr. TARVER. Reserving the right to object, Mr. Chairman, it is apparent that a number of amendments are to be proposed to the amendment of the gentleman from Virginia and the Committee is not now advised as to the nature of some of the amendments. I do not believe that at this time

we ought to agree to an arbitrary limitation on debate, and for that reason I am compelled to object.

Mr. WOODRUM of Virginia. Mr. Chairman, we have had very liberal debate on this matter under general debate, and the question has been debated even out of order. It seems to me an hour and a half of debate on one item in the bill is ample in view of the fact there are other items which are going to be controversial. The Members will not want to stay here late tonight, and we must finish the bill today. Therefore, I am compelled to move that all debate on my amendment and all amendments thereto close in an hour and a half.

Mr. TARVER. Mr. Chairman, I make the point of order that it is not in order for the gentleman to move to close debate until after debate has proceeded for at least 5 minutes.

Mr. WOODRUM of Virginia. I concede the point of order, Mr. Chairman. The gentleman from Alabama is entitled to speak for 5 minutes.

The CHAIRMAN. The point of order that there shall be no motion to limit debate until after there has been debate is sustained.

The gentleman from Alabama asks unanimous consent that he may address the Committee for an additional 5 minutes. Is there objection?

There was no objection.

Mr. STARNES of Alabama. Mr. Chairman, the purpose of my amendment is to restore to this bill the sum of \$455,000 which was recommended by the Director of the Budget. If this \$455,000 is restored by the House, it will serve to add \$25,000 as an initial step in the program for a washing plant for raw phosphate which will ultimately cost approximately \$500,000, and will also add \$430,000 for the construction of a commercial-sized unit for a blast furnace for the purpose of reducing raw phosphate to a commercial product so it may be used in the fertilization of farms.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. By what fuel is this blast furnace to be fueled?

Mr. STARNES of Alabama. By coal.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Michigan.

Mr. HOOK. As a matter of information, why should the blast furnace be fueled by coal when all this electric power is available?

Mr. STARNES of Alabama. I want to answer the gentlemen's question. If you will let me make my statement I believe it will serve to answer many questions the Members may have in their minds.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. CASE of South Dakota. Is the gentleman sure that gas may not be used part of the time in the furnace?

Mr. STARNES of Alabama. No; gas may be used, and I thank the gentleman for that contribution.

This great movement had its inception or arose out of conditions which this country was confronted with in 1917. Muscle Shoals was originally developed for the production of nitrates in war and fertilizer in peace.

When the T. V. A. Act was passed in 1933 the Congress continued the original conception of the development of this great area; that is, the production of cheap fertilizer for the farmers of America as a part of the interrelated T. V. A. program.

Today the T. V. A. has approximately \$3,000,000 worth of equipment down there for use in carrying on its experiments in the production of fertilizer and approximately \$1,000,000 of raw material in the form of raw phosphate. They have to obtain their supplies of raw phosphate from commercial sources at the present time, and raw phosphate

constitutes 40 percent of the total cost of commercial fertilizer which is sold to the farmer.

There were only two bids during the past year, and the beginning of this washing plant will act as a deterrent to commercial companies from raising the prices of raw phosphate to a prohibitive point. This is of special import to Members from the farm belt and to the Members from the West, where we have great natural beds of phosphate.

The T. V. A. has experimented more than any other agency in this country in the development of cheaper fertilizer. They have produced triple superphosphate, which is three times more powerful than the commercial product which is being sold to the farmers today by the commercial companies. They can produce this triple superphosphate at approximately the same cost the present type of phosphate is produced by the commercial companies. Real savings come to the farmer in the shipment of this triple superphosphate because it is three times more effective as a plant food than the fertilizer the farmers buy which is produced by the commercial companies.

The T. V. A. has successfully experimented with the use of electricity in reducing raw phosphates, and it is the first agency to do so.

It is interesting to note that the commercial companies have not changed their method of reducing raw phosphate to a commercial fertilizer since 1880.

The T. V. A. wants \$430,000 to construct a commercial-sized unit blast furnace for the purpose of obtaining a contrast or a comparison between the economies in production in the electric furnace method and the blast furnace method. This should be of special importance to all of us and especially to those from the coal regions, and certainly this entire subject is of vast importance to the 40,000,000 farmers of the country. Having given you the background, I am making an appeal to you not to depart from the original conception in the development of this great area—the production of cheaper fertilizer and a more potent fertilizer than the commercial companies now produce; in other words, let us get a greater plant food content in our commercial fertilizer at approximately the same cost. You will then be effecting a real saving to the American farmer. The soil is our greatest natural resource. It has been impoverished by improper farming methods and erosion throughout the centuries. The replacement of phosphate is problem No. 1 in restoring soil fertility.

I listened yesterday with wonder and amazement to the remarkable and eloquent address of the distinguished gentleman from Illinois [Mr. DIRKSEN] when he took a row of prosaic figures and entranced this House with his histrionic ability and told us such beautiful and amazing stories. I listened with rapt amazement when he touched upon the fertilizer situation in which he attacked the T. V. A. fertilizer program. I thought that, although the line of fertilizer which he spread upon the pages of the CONGRESSIONAL RECORD on yesterday might produce the vote in certain sections of the country, it would not enrich our impoverished soil nor guarantee the production of better crops for the farmers of America. [Laughter and applause.]

I am very much interested in bringing to the farmers of America cheaper and better fertilizer. The T. V. A. has pioneered in this field, and that effort has spread not only in the T. V. A. area but all over the United States. Through the various land-grant colleges and agricultural schools of this country we have already used fertilizer produced by the T. V. A. in 38 of the States in the Union, and through the Department of Agriculture, 3 additional States, making a total of 41 States which have received benefits from the distribution of fertilizer manufactured at the Shoals by the T. V. A.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I am happy to yield to the distinguished gentleman, inasmuch as I have mentioned his name.

Mr. DIRKSEN. I want to read to the gentleman from the T. V. A.'s own Budget justification where we are allowing them \$450,000 for small-scale research work; we are allowing them \$785,000 for tests and demonstrations of the use of fer-

tilizers, and in addition the bill contains other items on the fertilizer program that will project them into large-scale production, as distinguished from research and experimentation; and the gentleman will admit that last year we expended \$1,875,000 in large-scale production and sold the fertilizer at 68½ cents per unit, which is the commercial rate, and lost \$650,000 on the deal. If the gentleman will justify that, I will eat it.

Mr. STARNES of Alabama. The gentleman from Alabama cannot admit the accuracy of the statements or the conclusions drawn by the gentleman from Illinois. They did expend \$1,875,000 for the production of fertilizer, and they sold at commercial prices \$1,200,000, the other \$600,000 was not a loss, because that amount represents the cost of the fertilizer the T. V. A. used themselves in their own experiments.

Mr. DIRKSEN. And will the gentleman tell me what the language means in the T. V. A.'s own figures?—

Net cost of experimental production, \$625,000.

Mr. STARNES of Alabama. They had representatives before our subcommittee who attempted to explain to the gentleman from Illinois in the committee what that \$600,000 in large part represented, namely, fertilizer which the T. V. A. used itself in carrying on demonstrations.

Mr. DIRKSEN. Will the gentleman yield further?

Mr. STARNES of Alabama. Oh, just a moment.

Mr. DIRKSEN. I want to keep the record straight.

Mr. STARNES of Alabama. The T. V. A. has spent a total of approximately \$230,000,000 on its program, and the total for research in fertilizer amounts to \$6,404,000.

The fertilizer program of the T. V. A. has the general approval of the farmers of this country. Their sentiment is well expressed in a letter addressed to me by the Honorable Edward A. O'Neal, president of the American Farm Bureau Federation, under the date February 7.

I quote in part from Mr. O'Neal's letter:

The T. V. A. fertilizer research and demonstration projects are a part of our conservation program to restore and maintain the fertility of our soils. This program has met with widespread and growing support of farmers. American farmers pay an annual fertilizer bill of about \$160,000,000. The low plant-food content of prevailing mixed fertilizers penalize farmers heavily through unnecessary costs for filler.

During the past 2 years the American Farm Bureau Federation has had a special committee of farmers studying the T. V. A. fertilizer and conservation program. On the basis of our committee's findings our organization has strongly endorsed and urged the necessary costs for filler.

In view of the vital importance of the fertilizer program to the farmers of this country, I sincerely hope the House will support my amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment. There are two propositions involved in the gentleman's amendment. The amount that is suggested is to provide for two items.

The first item, as he says, is \$25,000 to start a washing plant, to bluff the private industries, so that they will not hike the price on the cost of raw materials. The facts are, as the evidence shows, that we have already a million dollar bluff there, because we have spent almost \$1,000,000 acquiring raw phosphate land, and it stands there today as perpetual protection to the T. V. A. fertilizer enterprise, and as a threat to the private industries to keep them from hiking the price of the raw product.

The second item, the larger, is \$430,000, and that is proposed to start a new commercial production unit.

To keep clearly in mind what the situation is we should realize what the bill still provides. There is not a single thing in the bill as it now stands, with the appropriation now provided, that will interfere in the slightest with any phase of the present fertilizer work of the T. V. A.

The bill as it now stands carries the full request for the regular operation of the present fertilizer plant. I have here the printed Budget estimates as submitted to our committee

by the T. V. A. Our bill still permits the \$450,000 asked for research. It still permits the amount of money necessary to produce this fertilizer that is sold through the Triple A—\$1,250,000. It still permits \$625,000 to be set up as the cost of providing the fertilizer that is used in the T. V. A.'s own distribution. It still provides \$550,000 additional for farm tests and demonstrations and that means for the salary of the demonstrators who go out to show the farmers how to use the fertilizer they furnish to them. It still provides \$110,000 for tests and research by State university experiment stations. It still permits \$115,000 for soil surveys through the various States, and it still provides \$10,000 for the payment of freight on the fertilizer distributed.

The only place in which a reduction is made is in the request on appropriations for new equipment, and we still leave here \$240,000 for the construction of an agglomerating plant. We still leave here \$100,000 for new instruments and tools and for improvements to the existing plant.

So, in the appropriations carried in this bill we make full provision for continuing the operations with the three electric furnaces now used and we provide \$340,000 for additional equipment and improvements.

The \$430,000 which the gentleman's amendment would provide proposes to establish at this famed home of cheap electric power a blast furnace, a commercial-size plant. Questions asked of the representatives of the T. V. A. at our hearing revealed that they recognize that the establishment of a commercial-size production plant at the present time is not justified on the basis of research now made. The question was asked as to whether or not this would be a laboratory plant or a production plant. The hearings will show that the answer was that it would be a production plant. At Nashville, Tenn., a blast furnace is in operation by a private company at the present time. This simply means Government competition. But possibly a commercial-size plant is wanted for experimentation.

I have in my hand a five-page statement that was prepared by a member of the Tennessee Valley Authority and by Dr. Miller, the man in charge of this operation, who came to see me a couple of days after the hearing. The statement says:

We recognize that there has not been sufficient experimentation yet to determine whether or not we should build a commercial plant.

In this statement I also read this sentence:

A design for stoves has been worked out with reasonable hope of satisfactory operation before much more exploratory work is necessary.

Then they go on to suggest that they would be willing to have this item reduced from \$430,000 to \$250,000, so that they could have a laboratory plant. In fact, they suggest that course be pursued; that is, an experimental blast furnace before they put up a commercial plant.

They conclude as follows:

As indicated in the foregoing discussion, an alternative procedure would be to concentrate efforts immediately on a smaller-sized blast furnace to develop more complete information for use in determining the larger and more expensive installation. It is therefore suggested that this course of action would reduce this item to \$258,000.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I am sorry; I only have a few minutes.

So that in no way does the recommendation of the subcommittee interfere at all with the fertilizer program. You may be in favor of the fertilizer program and vote for this bill with complete confidence that the appropriation carries every item needed to continue, plus \$240,000 for an agglomerating plant and \$100,000 for other improvements.

The only thing the committee did was to say that since the \$25,000 for a washing plant is starting a half-million-dollar washing plant—not now needed—when there is a “bluff” already there, with nearly a million dollars for phosphate land already purchased, we should not start until the washing plant is needed.

And since the \$430,000 is for an unproved commercial-size blast furnace, when the primary product of the T. V. A. is electricity, the committee felt that further experimentation should be made before we borrow money to spend \$430,000 for a blast furnace when the gentlemen themselves said they had not had enough experimentation to determine that a commercial-size plant should be built.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. TARVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not a member of the subcommittee of the Appropriations Committee reporting this bill, but because of my membership on the subcommittee handling agricultural appropriations, I have heard considerable evidence from officials of the Department of Agriculture as well as from officials of the T. V. A. regarding this subject matter. It is for that reason that I venture to trespass for a moment on your time.

I hope no Member of the House will misunderstand the situation. The items which the gentleman from Alabama [Mr. STARNES] is seeking to restore to the bill are items that were asked for by the T. V. A., and which were deemed of sufficient importance by the Bureau of the Budget to merit its approval.

The subcommittee handling this bill has brought in a bill carrying with it an appropriation of \$1,800,000,000, in round figures. In their report they point with some pride to the fact that out of Budget estimates of approximately that amount, they have managed to save \$1,500,000. They have saved approximately one-third of that \$1,500,000 by taking it out of this appropriation for the benefit of the farmers of this country who are burdened with the high prices which they now have to pay for commercial fertilizer.

The officials of the T. V. A. are satisfied that with some additional funds they can go further than they have yet been able to go in an effort to solve the fertilizer problem of these farmers living in the areas of the country where a considerable portion of their gross income must be paid out for commercial fertilizer. There is no more pressing farm problem. Those farmers are today in the grip of what I think may properly be referred to as the Fertilizer Trust. I say that because evidence has been submitted to a subcommittee, of which I am a member, showing that during recent years, although the prices of raw materials going into the manufacture of commercial fertilizer have continually decreased, the price of the completed product, commercial fertilizer as sold to the farmer, has continually increased. That situation could only be brought about by price-fixing agreements in violation of antitrust laws between the most important units of the fertilizer industry. Is not an effort to remedy that situation worthy of an appropriation of a few hundred thousand dollars? Is it not as important to have a yardstick for the cost of fertilizer manufacture as for the cost of power?

The purpose which the Congress had in mind when it provided in establishing the project at Muscle Shoals, that it should be devoted primarily in peacetime to the manufacture of fertilizer, should not be overlooked. These few thousand dollars will enable T. V. A. to proceed more effectively with that work. They desire to go further in an effort to solve this problem and they have asked this comparatively small amount of \$455,000 out of a total appropriation of \$1,800,000,000, and have secured for it the approval of the Budget. It is now sought to effect a paltry saving by leaving this Budget estimate out of this huge bill. I believe in economy, but I have seen little evidence of economy in government recently, and I do not want it to begin by eliminating these small items for the benefit of consumers of commercial fertilizers.

I certainly hope that in justice to the agricultural population of this country, who live in areas where commercial fertilizer must be bought in order that they can produce anything like a reasonable crop, the House will give effect to the recommendation of the Budget and not undertake to make this small saving at their expense.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it strikes me that this amendment is absolutely unnecessary, for, as the gentleman from South Dakota [Mr. CASE] stated, this bill already provides many thousands of dollars for aid to the fertilizer department of the T. V. A.

It never was the intention of the act setting up the T. V. A. that it should engage in any operation that would be in direct competition with industry. It has not been the intention to sell fertilizer in the open market in direct competition with the fertilizer companies. It was intended that the T. V. A. engage in experimentation. They have spent millions of dollars for experimentation, and I am not really opposed to their carrying on experimentation where and when private industry cannot do it. This, of course, is the only justification for the establishment of the fertilizer division. There is no justification for the expenditure of this large sum for the construction of a blast furnace. They already have at Muscle Shoals a large blast furnace in full operation operated by electricity. This furnace will be sufficient for all reasonable experimentation. The extravagant spending of money by the T. V. A. is well recognized.

Here is the proposition in a nutshell: This bill carries \$450,000 in this item, and the bill is already loaded to the limit as far as T. V. A. is concerned. There is no question about it, and I dare say that the acting chairman of this committee certainly will agree with me that the bill already at this time carries as much as it ought to carry for this activity.

When we come to consider the appropriation for the construction of the Gilbertsville Dam and the Watts Bar Dam and the Coulter Shoals Dam, I hope we might strike these appropriations out. We were able to defeat the Gilbertsville Dam on several previous occasions, and I hope we can do it today. This project will cost the United States the colossal sum of at least \$200,000,000. Its availability as a flood-control project or as an advantage to navigation does not justify this terrific expenditure. The Army engineers say that better navigation facilities and more useful flood-control programs can be constructed in the vicinity of Gilbertsville for at least one-tenth of this terrific expenditure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. STARNES) there were—ayes 41, noes 62.

So the amendment was rejected.

Mr. FADDIS. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

The Clerk read as follows:

Amendment offered by Mr. FADDIS as a substitute for the amendment offered by Mr. WOODRUM of Virginia: On page 47, after line 6, insert the following:

"TENNESSEE VALLEY AUTHORITY

"For the purpose of carrying out the provisions of the act entitled 'The Tennessee Valley Authority Act of 1933,' approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C. ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$21,797,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1939, in the 'Tennessee Valley Authority fund, 1939,' and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1940 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the 'Tennessee Valley Authority fund, 1940,' to remain available until June 30, 1940, and to be available for the payment of obligations chargeable against the Tennessee Valley Authority fund, 1939,' and for contractual obligations for the procurement of equipment as authorized in the Independent Offices Appropriation Act, fiscal year 1939."

Mr. FADDIS. Mr. Chairman, if the members of the committee having bills will turn to page 47, line 13, they will notice that my amendment proposes to cut out that language following the Hiwassee Dam down to and including all of line 17, and on page 48, line 4, it proposes to change the amount, \$39,000,000, to \$21,797,000, a total saving of more than \$17,000,000, and an ultimate saving of at least \$200,000,000.

Mr. Chairman, as a member of the Committee on Military Affairs, which committee originally brought in the bill setting up the Tennessee Valley Authority, I feel quite sure there are but few members of that committee remaining today who are not sadly disappointed in the trend affairs have taken in regard to the T. V. A. Some time later, when we were asked to bring out legislation extending the T. V. A., we did so with a great deal of reluctance. Those who were Members of the House at that time will remember that it was, indeed, a long and bitter fight before they were able to drag from the members of that committee any authority to grant an extension to the T. V. A. Those of us who were the best acquainted with the conduct of the T. V. A. at that time had our grave suspicions of the intentions of this bureau which had been set up with such extensive and unprecedented authority. I may say to the members of this committee that here in front of you today in this proposed appropriation for the T. V. A. is a typical example of the rising tide of bureaucracy which threatens to engulf representative government in this Nation. Here is a bureau originally set up to provide nitrates for national defense, fertilizer for farmers, and to serve as a yardstick with which to measure utility rates. Now they are trying to develop into a gigantic octopus to stretch all over this Nation. Typical of all bureaus, they are endeavoring, first, to create a larger field for their own activity—endeavoring to enhance their own power and to grow until they can take unto themselves all-embracing power for all activities within their reach.

Let me say to you Members representing coal-mining districts and to everyone on this floor who is concerned about the employment situation that you should stop and think before granting any further extensions to the T. V. A. For every million kilowatts of electricity they produce they do away with the need for over 700 tons of coal, and every ton of coal mined and put on the market represents a day's work for some coal miner or railroad worker.

Today, when we are resorting to almost every resource within our power to feed the unemployed in this Nation, it seems to me to be extreme nonsense to go ahead and create more unemployment. Taking the figures of the Tennessee Valley Authority itself we find that at the present time they have a productive capacity of 570,000 kilowatts. In a recent deal they have bought 296,000 kilowatts. This, we find, gives them a total output of 866,000 kilowatts. According to their own most optimistic figures they will have sale for only 563,000 kilowatts even in December of 1941. At the present time, or, indeed, 2 years hence, therefore, they have a surplus of at least 303,000 kilowatts.

Are we to permit this octopus of bureaucracy to continue to grow? Every year they demand more, and more, and more money. Shall we grant them continually increasing amounts in order to permit them to extend their activities all over the Nation? Each year they come asking for a comparatively small appropriation to be used in preliminary work. Last year it was \$5,000,000 for the Gilbertsville Dam. Today they are back asking for \$12,503,000 for the same dam on the plea that this sum is necessary to save the original \$5,000,000 from being wasted. At the same time they are asking for \$5,000,000 additional for preliminary work on various other dams, which will make necessary the eventual expenditure of nearly \$200,000,000. It is but the start of another vicious cycle. Let us stop it here.

I am sure the gentleman from West Virginia [Mr. RANDOLPH] and his five colleagues, who also understand the coal industry and who are in accord with me in this matter, see the threat of the T. V. A. to the bituminous-coal industry.

Mr. PATRICK. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Alabama.

Mr. PATRICK. Does the gentleman take the position this Congress should act in such a way that its actions on labor in the country in the production and advancement of higher ways of dealing with its affairs should be curtailed because it might add more labor?

Mr. FADDIS. Yes; I certainly do. I do not believe this Congress is justified today, because of some socialistic experiment, in permitting labor to be displaced so far as employment is concerned, and I do not believe this Congress is justified in building up one section at the expense of other sections of the United States to the extent that it is building up this section.

The evidence in regard to the production of electricity in connection with the T. V. A. from the very first has shown that electricity has never been produced as cheaply by water power as it has by steam when it has been necessary to buy sites composed of farm land for power dams. [Applause.]

[Here the gavel fell.]

Mr. PEARSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

Mr. Chairman, I do not know of anything new that can be said about the construction of the Gilbertsville Dam, and certainly I know of no answer that can be made to the philosophy just propounded by the distinguished gentleman from Pennsylvania with reference to the creation of unemployment by the further construction of dams on the Tennessee River. It is an argument that falls by virtue of its own weight. It has no justification either in fact or in logic.

Mr. Chairman, the Congress of the United States has already approved the construction of the Gilbertsville Dam and the work is in progress there. The sum of \$5,500,000 has already been spent in the construction of that project, and certainly the Congress in its wisdom would not now, in a moment of hysteria or excitement, undertake to junk the work and the expenditure that has already been made at Gilbertsville and seek to nullify the entire program of the Authority by now saying that the Authority shall not have the power to construct the dam, which means more in the system than any other single unit under construction by the Tennessee Valley Authority.

In answer to the argument made by the gentleman from Pennsylvania with reference to the sale of power, may I ask him in his diligence to turn to page 1679 of the hearings and read what gentlemen who know something about the sale of power from the Authority have to say about that. Mr. Krug and Mr. Burke, engineers competent to fill their respective positions, said under oath before the committee that the Authority is now selling its peak load of power, that it is up to the estimate which they gave 1½ years ago to the Congress and that unless this program goes on there will not be enough power generated by the Authority to take care of the needs of that section.

I wish I had time to discuss the great work that the Authority is doing in a section of this country that needs it worse than any other part of America. I am only appealing to the fairness of the membership of this House in the consideration of this great question and in considering the needs of that section from which I come, the great Tennessee Valley area, which through this instrumentality, the Tennessee Valley Authority, which Congress created in 1932 is bringing into its own a section that has always had potentialities but which has never been implemented with those agencies which made it possible to realize on those potentialities. The Tennessee Valley Authority is making those things possible, those things to which we are entitled and which we can never hope to attain except through this agency.

The money which has been expended through the Authority has gone into good citizenship; it has gone into valuable public resources that will yield dividends in time to come, dividends in dollars and cents, dividends in matters that are of vital concern to the citizenship of this country, and has added to our natural wealth and resources. I appeal to the membership of this House to permit this program to

proceed in an orderly manner. Let the Tennessee Valley Authority proceed with its activities and vote down the amendment offered by the gentleman from Pennsylvania which would only have a tendency to hamstring and throttle one of the greatest works that any Government instrumentality has undertaken in the southern region of this country.

The hearings reveal the value of the Gilbertsville project from the standpoint of navigation, flood control, and eventually the generation of power. It is shown to be the most essential unit in the whole river program and to abandon it now will mean the virtual loss of all that the Government has invested in the Tennessee Valley. I hope the amendment will fail.

Mr. CROWE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to any curtailment which would destroy the Tennessee Valley Authority and its usefulness. I would like to speak for a moment with reference to a matter on which I spoke yesterday. I believe that as far as the Ohio Valley is concerned the first thing to do in that valley is to undertake the construction of levees and sea walls for those cities that were stricken in the 1937 flood. Flood control for navigation and for power, irrespective of merit, should give way for the present to the imperative demand of immediate levees and sea walls.

During the floods of 1937 an estimated value of between \$400,000,000 and \$800,000,000 worth of property was lost, and in addition to that something like 1,100,000 or 1,200,000 people were marooned and moved from their homes to places of safety. One million two hundred thousand people would amount to 120 cities with a population of 10,000 each. That gives you an idea of the number of people who were moved during the floods of 1937.

Mr. Chairman, we are going to ultimately build these levees and sea walls. The floods may return this year or next year. If it returns—and there has been a near approach to it recently—you will probably have another half billion dollars of loss. You would still build the levees thereafter. So why not build the levees and sea walls, appropriating sufficient money now to do it, and save the ultimate loss which is sure to come if there are further delays? It has been 2 years now since those floods. Further delay cannot be tolerated. We have need for the labor. We have the unemployed which can be utilized on those projects. My opinion is that every Member in the United States who has a district affected by floods should join with me in asking the Appropriations Committee to appropriate the full amount necessary to construct these needed levees and sea walls, which, in my opinion, the War Department will recommend to the committee as being necessary to start the construction of this year. I am informed the War Department will suggest near \$200,000,000 as necessary to properly get under way in the whole United States necessary flood control. I urge serious consideration to the appropriation of a sufficient amount by this Congress to do the job and do it right and save the repetition of another damaging flood.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I wonder if it would be possible now to fix a time for closing debate. I ask unanimous consent that all debate close in 30 minutes. There are five or six gentlemen on their feet.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes. Is there objection?

Mr. RANKIN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. Did not the gentleman's request apply merely to this amendment?

Mr. JENKINS of Ohio. That is the heart of the whole program.

Mr. RANKIN. Let us find out what the gentleman's request is.

The CHAIRMAN. Will the gentleman from Virginia kindly restate his request?

Mr. WOODRUM of Virginia. Mr. Chairman, as a parliamentary inquiry, may I ask if there are any other amendments on the desk to be offered?

The CHAIRMAN. The gentleman from Tennessee [Mr. TAYLOR] has an amendment to be offered, in addition to the two amendments now pending, which are the amendment offered by the gentleman from Virginia and the substitute to that amendment offered by the gentleman from Pennsylvania.

Mr. WOODRUM of Virginia. Under those circumstances, Mr. Chairman, I modify the request and ask that the debate be limited to 45 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto close in 45 minutes. Is there objection?

Mr. TAYLOR of Tennessee. Reserving the right to object, Mr. Chairman, am I included among those who will be allotted time to speak?

Mr. WOODRUM of Virginia. The Chair will control the disposition of the time.

Mr. TAYLOR of Tennessee. I should like to have 5 minutes on my amendment.

Mr. SHORT. Mr. Chairman, I assume the Chair will divide the time equally between the proponents and opponents?

The CHAIRMAN. The Chair has no way of reading the minds of those who will speak in advance of their utterances, but the Chair will endeavor to be fair in that regard. The Chair will recognize first the gentleman from Tennessee [Mr. TAYLOR], who has an amendment to offer, in order that his amendment may be pending, and the Chair will then endeavor to equalize the time to the best of his ability.

Mr. SHORT. I would be pleased to follow the gentleman from Tennessee.

The CHAIRMAN. The Chair will state further that the Chair is endeavoring, insofar as possible, to alternate between the two sides in the recognition of Members to address the Committee.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee to the amendment offered by Mr. WOODRUM of Virginia: In line 9 of the amendment, after the word "for", insert the words "completion of."

In line 10, after the word "sites", insert the words "and construction of", and in the same line strike out the letter "s" in the word "dams."

In line 23, strike out "\$39,000,000" and insert in lieu thereof "\$41,228,000."

Mr. TAYLOR of Tennessee. Mr. Chairman, I concede, of course, that if the amendment which is pending should be adopted the amendment I have offered would become absolutely futile and a nullity.

I do not believe there is anyone on this floor who is any more strongly for economy than I am, but there are different kinds of economy. There is sound economy and there is unsound or false economy. In my opinion, the adoption of this amendment would mean unsound economy in its essence, because I believe the time has certainly come when the membership of this House must realize that the T. V. A. is a permanent institution and that the program as originally outlined by the War Department, and under a Republican administration, I would remind my Republican colleagues, must be ultimately carried out.

Of course, if this amendment should be adopted it would simply mean that the work of the T. V. A. would stop with the completion of the Chickamauga Dam, and that would leave the Gilbertsville, Watts bar, and Coulter Shoals Dams suspended like Mahomet's coffin, and entirely out of the picture. It seems to me that to stop this work at a time when the T. V. A. has spent hundreds of thousands of dollars building up an organization would be the quintessence of stupidity. We have this trained organization already built up, and we also have a great army of unemployed, not

only in that area but throughout the country, that would benefit from this development. To go ahead with this program now, it seems to me, would be the soundest sort of economy.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Tennessee.

Mr. COOPER. Last year when the appropriation for the Gilbertsville Dam was under consideration I made some remarks, and at that time pointed out that in a statement issued by Dr. A. E. Morgan, the former Chairman of the T. V. A., he took the very definite position that the construction of the Gilbertsville Dam was fully justified from the standpoint of flood control alone. I am sure the gentleman will recall that statement.

Mr. TAYLOR of Tennessee. I recall that statement of Dr. Morgan and I concur in his statement. Originally as the T. V. A. was projected it was primarily a flood-control and navigation project. Now, with the completion of the Chickamauga Dam we have navigation up to a point in Rhea County, near Dayton, where there is no traffic for transportation whatever.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman.

Mr. MAY. In the original intent of the act was there any national defense included?

Mr. TAYLOR of Tennessee. Of course, national defense was included and on yesterday I discussed at considerable length the question of national defense which, in my judgment, is the major feature of the development down there; because in the event of emergency we can locate plants in that area, as was suggested by the War Department during the World War, when a commission was sent all over the country to select sites for munitions plants, and out of the nine sites recommended by that commission, eight of them were in the Tennessee Valley and one of them was nearby.

This was for the reason that we will have, in the event of an emergency, an abundance of electricity in the Tennessee Valley. It is far removed from our coasts where plants would be within easy access of enemy aircraft. Then we have ore of all kinds there, zinc, lead, copper, and everything down there, in fact, conducive to the proper location of munitions and airplane facilities, and from the standpoint of national defense alone this program is fully justified.

My amendment provides \$2,000,000 for beginning of work at Coulter Shoals, and with the completion of Coulter Shoals and Watts bar, with Gilbertsville, we will have a 9-foot navigation channel all the way from the Ohio River to Knoxville, Tenn.

I wish my Republican colleagues would finally realize the fact that T. V. A. is a reality and get behind us in this movement, because I think it means something politically for the Republicans to get behind this proposition. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say to my distinguished friend from Tennessee—in fact, the two gentlemen from Tennessee—that there is no one in this House that I more dislike to disagree with than they; but when my friend from Tennessee, the last gentleman who spoke [Mr. TAYLOR], talked about national defense and the construction of plants for the production of munitions of war down in Tennessee, it came to my mind somehow that the CONGRESSIONAL RECORDS of this Congress and the last three or four Congresses are full of facts showing that we have a \$67,000,000 nitrogen plant at Muscle Shoals that has not produced a dime's worth of nitrogen since it was constructed. It is as dead as the tomb of Moses. That \$67,000,000 is gone, and that \$67,000,000 plant is being kept there as a relic or as a souvenir to national defense at a cost of several hundred thousand dollars a year for its supposed maintenance by the Tennessee Valley Authority.

Now, with respect to my other friend from Tennessee [Mr. PEARSON], than whom there is no more delightful gentleman in this House, I am just wondering if he would read the

printed hearings of the House Military Affairs Committee of 3, 4, and 5 years ago on the subject of T. V. A., and find there that the proof showed that the Tennessee Electric Power Co. had a surplus of 50 percent of the normal requirements of the entire State of Tennessee and that it and other allied private companies operated a distribution system in every town and city with a population of 300 or more with the exception of one, and that the T. V. A. has recently acquired all of them, which is 50 percent above needs and has developed at the expense of the taxpayers 480,000 additional kilowatts in the three dams that have been completed.

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. PEARSON. I would like to say to the gentleman from Kentucky that I am somewhat familiar with the business of the Tennessee Electric Power Co. and its activities in Tennessee, and that the Tennessee Electric Power Co. furnishes power to but two single counties west of the Tennessee River in the State of Tennessee, and that entire area is dependent on other companies for its electrical power and is now purchasing from the Tennessee Valley Authority all of the power that it produces just as fast as lines can be built to transmit it.

Mr. MAY. Did the gentleman take into consideration in that estimate the fact that the Tennessee Valley Authority has sold largely below the cost of production its entire surplus to four great private corporations, including a chemical company and the Aluminum Co. and the Arkansas Power Co., and that is the reason it does not have what it claims as a surplus at this time?

The deal it has recently made provides that they take over every facility of the Tennessee Electric Power Co. in the State of Tennessee. However, I must get along to another point I wanted to make. I am going to leave the question of kilowatt capacity and ability to serve because I think it is settled that they are able to serve the entire State now and that there will be no shortage.

I want to call attention to this fact: If the Tennessee Valley Authority can expand at will because it can come to the Congress and say, "We want to build three more dams and we will just let you wet your feet a little by giving us \$200,000 to start with," and then come back and say, "You have already authorized it, approved it, and confirmed it, and now give us enough money to spend thirty or forty million dollars more on it."

The point has been made that they have spent \$5,000,000 at Gilbertsville Dam. Let me say that the record discloses—and it has never been contradicted—that they spent more than \$2,000,000 on that project in the purchase of land before the dam was ever authorized and they had the titles for it and they were recorded. They were presuming upon the liberality of the Congress. They figured we were all liberals in the spending of other people's money. Now they say that is a waste. I will tell you what we can do with that. They have bought that fertile, that productive, that fine bottom-land on both sides of that river and we can convert that land into homesteads for the homeless coal miners from my district and from western Kentucky who are suffering in the mines and want to go back to agriculture.

Mr. RANKIN. And drown the last one of them the first time they have any high water.

Mr. MAY. No; we will not drown them. I may say to the statesman from Mississippi, who has gone Socialist, that T. V. A. will drown the taxpayers of this country and probably electrocute the gentleman from Mississippi. [Laughter and applause.]

Mr. RANKIN. Mr. Chairman—

The CHAIRMAN. The Chair has not recognized the gentleman from Mississippi and, as a matter of fact, is trying to alternate recognition between the two sides, and in the list of nine Members among whom the 45 minutes was to be divided the gentleman's name does not appear.

Mr. RANKIN. It was there when I was up at the desk awhile ago.

The CHAIRMAN. The request of the gentleman from Virginia was for 45 minutes.

Mr. RANKIN. My name was on the original list before the time was limited to 45 minutes. I asked for time from the very beginning.

The CHAIRMAN. The only way under the circumstances to obviate the difficulty would be to give 4 minutes to each speaker instead of 5.

Mr. RANKIN. Very well.

The CHAIRMAN. If that is agreeable. Under the plan of alternate recognition, the Chair will recognize someone on the Republican side of the Chamber. The Chair has the names of the gentleman from Illinois, Mr. DIRKSEN; the gentleman from Ohio, Mr. JENKINS; and the gentleman from Missouri, Mr. SHORT.

Mr. DIRKSEN. Is it understood that I am to have additional time under that original request from the Chairman?

The CHAIRMAN. There was no such understanding in the request.

Mr. DIRKSEN. I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. RANKIN. Oh, we could not agree to that out of the 45 minutes. The gentleman had an hour yesterday, and we Members who are not on the Committee on Appropriations get very little time. We could not agree to that.

Mr. DIRKSEN. The gentleman objects?

Mr. RANKIN. I shall have to object.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, to make sure that you have an adequate appreciation of what the issue is, I am going to suggest, first of all, that you vote down the Taylor amendment now pending, and then vote for the proposal of the gentleman from Pennsylvania [Mr. FADDIS]. If you do so, you will save the Federal Treasury \$17,203,000. That will be an immediate saving in the fiscal year 1940, and, in addition, if we do not ultimately authorize Watts bar and Coulter Shoals, two dams on the tributaries, and Gilbertsville, we may effect an ultimate saving of approximately \$201,000,000. That is what is involved in the proposal on the floor at the present time. Let me picture the thing in this fashion. Here is a U-shaped river which reaches out into North Carolina, Kentucky, Virginia, and Tennessee. It flows southwest, a little west, and then northeast into the Ohio. The first dam is 20 miles from Paducah, known as Gilbertsville, and it will cost at least \$107,000,000, and possibly a great deal more, according to the testimony. There has been expended thus far or will be by the 30th of June of this year, about five and one-half million dollars on Gilbertsville Dam. They want \$12,500,000 for 1940. If you vote for the Faddis amendment, you strike out that \$12,500,000. They want \$4,252,000 for another dam known as Watts bar. We have only \$678,000 invested in that now, or we will have on the 30th of June, but if you vote for the Faddis proposal, we will strike that out and save four and a half million dollars in 1940. Incidentally, if we never authorize them to go ahead with Watts Bar, you will save the Federal Treasury ultimately \$30,000,000. Then there is Coulter Shoals. There the cost will be \$26,000,000. We have only \$550,000 of exploratory work invested at the present time, and they want \$220,000 more for the next fiscal year. I was of opinion that this would be a 10-dam project, but it will most likely be a 12-dam project, and possibly a 13-dam project, before they get through, according to the testimony. So you have a chance today, by voting down the Taylor amendment and supporting the Faddis amendment of saving \$17,000,000 and a possible saving running into hundreds of millions of dollars before we get through.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I have only a few minutes. To show you that they do not need any more new dams for power now, T. V. A. has six stalls at the Wheeler Dam in which they have not installed any generators; they have four stalls waiting for generators at Pickwick Landing Dam, and they have stalls for four generators at Chickamauga that have not been

installed as yet. They have stalls at Hiwassee that have no generators installed in them. They can put 10 more generators in at Wilson Dam, so why build any more dams or authorize any more preliminary work until the stalls they can use down there at the present time are provided with generators, as the engineers tell us they shall be. So much for power. There are 820,000 potential kilowatt-hours of power that can be developed by installations in the idle stalls in which no generators are set at the present time. They ask for generators. Let us give them to them. The dams have all been built, but why authorize them to proceed with more exploration on Gilbertsville, Watts bar, Coulter Shoals, when there has not been any justification for proceeding with the construction.

Now, they will not want them for navigation. Let me tell you what Mr. Parker, the chief engineer of the T. V. A., told the committee. I asked him what would be required to make navigation possible on this project, and he said, on page 1675 of the hearings:

I think the possibility of developing navigation on the project is rather remote.

That is the T. V. A. engineer speaking. Those are the figures which they supplied the committee. There is no justification for giving this additional money. So vote down the Taylor amendment and vote for the Faddis amendment, and save the taxpayers over \$17,000,000 in immediate economies and possible economies running into \$200,000,000 before we get through. That is the issue. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN] at this time, and will then recognize the gentleman from California [Mr. Voorhis].

Mr. RANKIN. Mr. Chairman, nobody is surprised at the attitude of the gentleman from Kentucky [Mr. May]. We know of his fight against the Tennessee Valley Authority almost from the very beginning.

I know that the T. V. A. is one of the most profitable investments that the American people have ever made. From a power standpoint it benefits every single constituent you have that even uses electric lights every month it rolls around.

It has resulted in a reduction of light and power rates to the electric consumers of \$556,000,000 a year. I shall break that amount down by States and show how much it has benefited your people.

For instance, during the year ending February 28, 1932, we used 62,000,000,000 kilowatt-hours of electricity in this country, for which we paid \$1,803,000,000, according to the Edison Electric Institute Bulletin—the mouthpiece of the private power interests.

During the year ending February 28, 1937, we used 91,000,000,000 kilowatt-hours, for which we paid \$2,086,080,300, according to the Edison Electric Institute Bulletin.

If we had paid the same rate for this 91,000,000,000 kilowatt-hours that we were paying back in 1932, the year before the T. V. A. was created, the cost would have been \$2,642,000,000, or \$556,000,000 more than we actually paid.

I have broken these figures down by States to show the amount saved to the people of each State during last year.

They are as follows:

Alabama	\$7,600,000
Arizona	1,500,000
Arkansas	3,400,000
California	33,200,000
Colorado	5,000,000
Connecticut	11,600,000
Delaware	604,000
Florida	11,000,000
Georgia	7,600,000
Idaho	3,000,000
Illinois	65,600,000
Indiana	20,600,000
Iowa	6,800,000
Kansas	4,800,000
Kentucky	6,800,000
Louisiana	3,600,000
Maine	2,000,000
Maryland and District of Columbia	13,600,000
Massachusetts	29,600,000
Michigan	14,600,000
Minnesota	5,600,000

Mississippi	\$3,400,000
Missouri	12,000,000
Montana	4,000,000
Nebraska	5,000,000
Nevada	230,000
New Hampshire	2,400,000
New Jersey	18,400,000
New Mexico	1,800,000
New York	67,400,000
North Carolina	4,000,000
North Dakota	1,200,000
Ohio	55,400,000
Oklahoma	3,800,000
Oregon	5,200,000
Pennsylvania	70,600,000
Rhode Island	4,400,000
South Carolina	2,000,000
South Dakota	1,600,000
Tennessee	1,200,000
Texas	14,200,000
Utah	6,200,000
Vermont	1,200,000
Virginia	2,400,000
Washington	7,200,000
West Virginia	6,600,000
Wisconsin	16,200,000
Wyoming	470,000

If the amount of savings for any one State is overestimated, remember that the savings for some other State is underestimated, because, as I said, according to the figures of the Edison Electric Institute Bulletin, these savings amount to \$556,000,000 a year.

Everyone who turns an electric switch benefits or participates in these savings every time he pays his light or power bill.

Remember, this \$556,000,000 represents the savings for only 1 year. It will be repeated every year that rolls around and will increase as time goes by.

This Gilbertsville Dam is the most important piece of flood-control construction that is before this Congress or will be before it at this session. It is primarily a flood-control project. You cannot hurt me personally from a power standpoint by opposing this appropriation, for the simple reason that I have taken time by the forelock and have every county in the district I represent provided with electricity from the Tennessee Valley Authority at the T. V. A. rates. You cannot hurt me, but you can hurt the American people if you adopt the Faddis amendment. Why? Because this Gilbertsville Dam is not so much a power dam; it is primarily a flood-control dam and will do more to control floods on the lower Ohio and lower Mississippi Rivers than any other construction that has ever been attempted.

Two years ago Norris Dam alone saved the city of Cairo, and if we had had the Gilbertsville Dam we could have held back the flood on the Tennessee behind that dam and could have prevented the great disaster that happened to the lower Mississippi River in 1927. If you defeat this appropriation you might as well defeat all flood-control legislation in the future.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes. I yield to the gentleman from Tennessee.

Mr. COOPER. Is it not true that the estimates show that the construction of the Gilbertsville Dam will reduce the flood heights on the gage at Cairo about 2 feet?

Mr. RANKIN. Certainly; and 1 foot reduced at Cairo in 1937 would have saved a great deal of the trouble. One foot in 1927 would have saved the great catastrophe on the lower Mississippi that cost probably hundreds of millions of dollars.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The flood-control problem is a national problem.

Mr. RANKIN. Why, of course.

Mr. McCORMACK. Last year some of us from New England voted against this particular dam because it was 100 percent Federal contribution, and New England and other sections of the country were not receiving it, but conditions have changed now.

Mr. RANKIN. Yes, sir. We are doing the same thing for New England that we are doing here. The Federal Government is contributing 100 percent of the cost. Therefore the engineers can build these dams where they ought to be built. We are doing the same thing for your States and for your localities; but if you follow the gentleman from Pennsylvania [Mr. FADDIS] and the gentleman from Kentucky [Mr. MAY], who are both avowed enemies of the Tennessee Valley Authority, and have been almost from the beginning, then you simply strike at every effort at flood control in your own territory and in every other section of the United States. This is a national issue.

This question involves the welfare of all the American people. It is a project for the benefit of the American people. I hope you will vote down the Faddis amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I wish it were possible to take a vote on the Gilbertsville Dam just to see what would happen if there were a promise made that no power would be developed there. I just wonder what the result would be under those circumstances.

In the few minutes that I have I want to address myself generally to the T. V. A. as a whole. I believe that any project as important in its scope as the T. V. A., any project doing as much as the T. V. A. has done to cut power rates to the ultimate consumers of America, having been as much in the public eye as it has and subject to as much attack as it has, if there were anything unsound about this project or anything to be criticized in the management of the project, it certainly would have been blazoned across the headlines of every paper in the country long before this.

So I say, first, I have the utmost confidence in the people who are carrying on this great enterprise.

The second thing I want to say is this: We have been told a great deal about empires, about the great empire of the T. V. A.—and there was some implication that because of the scope of the work attempted down there it should be criticized. I believe the reason this "empire" is criticized is because it is conducted primarily and basically for the benefit of the American people. I could name you some other empires: Empires of power, empires of finance, empires of steel, and so on, and so forth, far larger, far more powerful, economically, than the T. V. A. today; but we do not hear these empires criticized.

I am concerned not so much with the liberty of the power trusts and monopolies to control the people of America as I am in preserving the independence, for example, of the small farmer of this country who has been recognized as the backbone of the Nation. From the national-defense standpoint you could do nothing better than to get power to him at cheap cost and to get fertilizer to him at cheap cost.

There are only three nations in this world that have adequate supplies of phosphates, perhaps the most important fertilizer there is—only three nations, and ours is one. If there is any natural resource on the development of which the American Government could well spend money it is phosphates. One other point. We have heard talk about saving money; yes, we could save money by not building any of these dams. Money could have been saved by not building the railroads. Money could have been saved by not making any capital investment of any sort. The question is: Is the expenditure justified in the results that it yields for the benefit of the people? Ask anyone who comes from the region of the T. V. A. what they think about it and you will find hardly an individual who is not strong for the T. V. A. If this is true, then those of us who come from other parts of the country who stand up and vote against this great enterprise must necessarily do so on the ground that we are not willing to see the welfare of that section of the country built up. For my part, I am not only willing but eager to see the purchasing power, the economic welfare, of the people of the Tennessee Valley built up to the largest, the greatest possible

extent that we can. I believe further that the falling water God has given to humanity to be used for the benefit of humanity is being far better used in the Tennessee Valley than it is in any other place I know of in the United States. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SHORT] for 5 minutes.

Mr. SHORT. Mr. Chairman—

Mr. FADDIS. Mr. Chairman, will the gentleman yield for an observation?

Mr. SHORT. I yield.

Mr. FADDIS. I hope the gentleman will speak somewhat on the argument that has been made that flood-control affairs should be taken out of the hands of the fanatics and put into the capable hands of the Board of Engineers of the United States Army. [Applause.]

Mr. SHORT. I do not presume to tell the old Members of the House anything they do not already know, but for the benefit of the new Members I may say that this proposition was voted down by a subcommittee on appropriations in the last Congress. It was voted down by the full Committee on Appropriations and was twice rejected by the Members of this House. Over in the Senate, however, \$5,000,000 was stuck on because a certain Senator was up for reelection, was brought in here in a conference report, and in the closing hours of the session when bad, vicious legislation always is rushed through when few Members are on the floor and everyone is anxious to go home—it was passed, I think, by a margin of seven votes.

For the life of me, I cannot understand how any reasonable or sane man who has read the hearings carefully can support this indefensible proposition. I want every Member to know that I am tremendously interested in navigation, flood control, power, and the like. I have served on the Flood Control Committee of the House, on the Rivers and Harbors Committee of the House, and have listened to the hearings as a member of the Committee on Military Affairs.

The Gilbertsville Dam does not give flood-control protection; neither does it improve navigation. The truth of the matter is it makes navigation next to impossible. It builds a dam 100 feet high, creating a lake 184 miles long, 7 miles wide, and at the lower end of this reservoir you could float a battleship. Modern barge traffic would not be able to operate on the lake which would be created if this proposition is carried out. All of the witnesses before the various committees of the House have testified to this.

About 50 years ago the greatest disaster on any of our inland waterways occurred on Lake Pepin on the upper Mississippi River when a storm kicked up and a boat sank. Nearly 100 human lives were lost.

To have flood control there must be an empty reservoir, like the conservancy district on the Miami River above Dayton, Ohio. If the reservoir is full it cannot, of course, hold back floodwaters. In order to have power the reservoir must be full. Flood control and power are constantly and at all times in conflict. You cannot have flood control and power at the same time.

They talk about affording flood control. Mr. Chairman, if you build this dam you are going to prevent the waters of the Ohio from backing up into the Tennessee and you will simply sweep Cairo off the map. Instead of giving flood control it would add to the hazard. It destroys navigation; and, whereas, you have but one flood every 10 or 12 years that covers only 480,000 acres of land, here you will by the construction of this dam cover over 937,000 acres of improved farm land.

The Mississippi Valley Association at its annual convention held last November in St. Louis, which I attended and which was attended by more than 500 delegates from 25 States, went on record against this proposal. I would like to read one of the resolutions passed at that convention.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I have some time and I ask unanimous consent that my time may be given to the gentleman from Missouri [Mr. SHORT].

The CHAIRMAN. If there is no objection, the time to be yielded to the gentleman from Ohio [Mr. JENKINS], will be yielded in extension of time to the gentleman from Missouri [Mr. SHORT].

There was no objection.

Mr. SHORT. Mr. Chairman, this resolution to which I referred reads as follows:

Electrical energy can now be generated so cheaply by modern fuel engines as to challenge the wisdom of flooding fertile lands and valuable improvements by the construction of high dams for power creation when low and less expensive dams for flood control and navigation would better serve the public interest.

The truth of the matter is if you want flood control and improvement of navigation by the construction of a series of low dams, they may be constructed for ten to fourteen million dollars. Here you are going to spend \$112,000,000 of the taxpayers' money when this country right now is facing bankruptcy.

Mr. MAY. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman know and understand that they have projected in their future plans a high dam a few miles below Paducah, across the Ohio River, and a canal from the Tennessee River to the Cumberland River?

Mr. SHORT. Yes; of course. Over \$600,000,000 is involved in this whole program. It is going to cost the taxpayers over a billion dollars before we are through.

Let me say this in conclusion: Sometimes you plead flood control; sometimes you plead improvement of navigation; sometimes you plead power; but the whole T. V. A. set-up was based on flood control and navigation in order to avoid constitutional objections. Even the Senator from Nebraska said that they used flood control and navigation as a peg on which to hang the whole program, when the primary purpose was to generate, distribute, and sell cheap hydroelectric power that can be produced just as cheaply by fuel today. They are not only paralyzing but destroying the coal industry, not only of Pennsylvania and Kentucky but of Ohio, Illinois, West Virginia, and the other coal-producing States of our country.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is it not a fact that the gentleman is supported in his statement when he says that these projects are not primarily navigation and flood control by the Army engineers themselves?

Mr. SHORT. I am absolutely supported by the Army engineers.

Mr. Chairman, I want to say a word about the gentleman from Mississippi [Mr. RANKIN]. I love him, but my good friend [Mr. RANKIN] cannot talk about a pretty girl without discussing power. [Laughter.] He has the power complex, and no man has championed this as much and no man deserves more credit in the whole United States, either in or out of Congress, for championing the T. V. A.; but I want to remind my good friend [Mr. RANKIN], that unless we cease this Government subsidized competition with private business, we are not only going to destroy every source of taxation which supports government but we will in fact not put back to work the unemployed men in this country. I want to remind him that 4,000,000 American citizens, not "economic royalists" and "princes of privilege," but 4,000,000 good, average, middle-class Americans, have invested over \$12,000,000,000 of their own money in the utility industry of this country. That industry hires and employs 250,000 American citizens. It pays \$250,000,000 a year to the Federal Government in taxes, only to have the Federal Government come in and set up an organization in direct competition with private enterprise which it, the Government, taxes to support the Government itself.

Mr. RANKIN. And they overcharge the people of the United States a billion dollars a year for electricity, too.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, coming as I do from the far Northwest, and from the congressional district that has the Grand Coulee Dam in it, which is one of the Nation's greatest projects, I am naturally favorable to T. V. A. Coming from a region that is now beginning to be served with cheap electricity by the great Bonneville project and the region that has the mighty Columbia River flowing through it, which is one of the world's greatest hydroelectric power streams, it will be quite natural that some will charge me with a partisanship and a bias in favor of public power versus private power. It may be that I possess this weakness to a degree, but I think any fair-minded man or woman who will read the record of the history of the development of private utilities, with their holding companies and multiplied holding companies, will see at least something in it which indicates a necessity for the Federal Government to enter this matter of supplying electric power and protect its citizenship.

The first step of consequence was taken through the creation of the T. V. A. I had heard so much concerning T. V. A. that I doubted some of the statements in reference to its services that its advocates presented on the floor of this House. After we adjourned last year I spent a full week down there and then following that, with my good friend, the gentleman from South Dakota [Mr. CASE] and other members of a joint House-Senate committee, we held hearings on phosphates throughout that region for another week. I had the opportunity to at least see first-hand and draw some inferences and conclusions about T. V. A. that are better than those that its friends or enemies may paint, who have never seen it.

The amendment here proposed to kill Gilbertsville Dam. The proposal seems to be more one to injure and destroy than for any other purpose. The enemies of public power foolishly seem to think that here is a chance to strike a blow for the old Power Trust. In this they are mistaken.

Gilbertsville Dam is not a power dam. It could never justify itself as a power project and it is not sought to be so justified. It is the key dam in a mighty river development that is intended to protect the people who live in that region, both for many miles above and below, against the ravages of Nature, and as an incident to that development, power will be produced and there will be involved a land-conservation program. Gilbertsville is primarily a flood-control and a navigation dam, and anyone who sees the picture first-hand must come to that conclusion. The fact that it will store water and back up water for 100 miles does not in any way disqualify it from being a flood-control dam and at the same time having some use as a power dam, because it will not be kept filled to capacity; no, not even to half its capacity.

Work has now been commenced on the Gilbertsville Dam. As the gentleman from Mississippi [Mr. RANKIN] has stated, the T. V. A. is itself a project now so far along that neither those who are in principle opposed to the Government's engaging in activities of this kind nor those who have selfish motives can defeat it. The Supreme Court of the United States in the last 10 days, after literally years of litigation, has stated that the T. V. A. is not subject to attack by the Power Trust. In my judgment we would make a serious mistake if we turned this project down now. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, it is true, as has been stated in the debate today, that in the last session of Congress there was a very heated controversy over the question of whether or not the Tennessee Valley Authority should begin construction of the Gilbertsville Dam. The legislative history is just about as stated here today. The Committee on Appropriations deleted the item and the House concurred. The Senate reinserted the item. The matter was debated and carefully considered. Finally, by a roll-call vote—by a very narrow margin, it is true, but by a roll-call vote—the Gilbertsville Dam was authorized and money expended.

Mr. Chairman, I do not mind being frank to say that I was not one of the Members who last year insisted on the

construction of the Gilbertsville Dam. In the subcommittee and in the conference committee I hoped that the item could be deleted, certainly until economic conditions in the country might be more propitious, if and when; but that was not the judgment of the Congress. Let us remember that, speaking in the parlance of the legislation involved, the question of whether there ought to be a T. V. A. or ought to be a Gilbertsville Dam is water that has gone over the dam. In the beginning of this program, when the administration asked for the Tennessee Valley Authority legislation, there was laid down a program of development of a series of dams for the purpose of flood control, navigation, and power—those three objectives. The matter was considered, and Congress authorized the T. V. A. We have gone on year after year and have constructed periodically, systematically, and logically the different units in this program.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. No; I have only 5 minutes.

Mr. MAY. Just one question is all.

Mr. WOODRUM of Virginia. Yes; I know; I know what the gentleman would say. We understand each other.

Mr. MAY. I wanted to ask about the Gilbertsville Dam. How much money is spent that cannot be utilized?

Mr. WOODRUM of Virginia. The gentleman does not approve of the Gilbertsville Dam; we understand that.

The Gilbertsville Dam seems to be the bone of contention here, because the amendment of the gentleman from Pennsylvania would stop the construction of the Gilbertsville Dam, which is under construction. Colonel Parker, who, if my information is correct—and I should like to be corrected if I am wrong—was an Army engineer before he went with the Tennessee Valley Authority, or, at any rate, a very eminent engineer, and is now the engineer for the Tennessee Valley Authority, agrees with Dr. Morgan, the deposed head of T. V. A. There has never been any difference of opinion as to the need for or the value of the Gilbertsville Dam as a flood-control project. No provision is made here for any power units in the Gilbertsville Dam. Colonel Parker states in the hearings at page 1768 that at this location it is perfectly logical to provide a dam for water storage that at the same time has power proclivities, because there is provided a difference of flood heights that is maintained all the time, so when the flood seasons come the water in the dam can be lowered to take care of a certain number of feet for flood-control purposes, without in any way interfering with power, if power should be installed.

We have not reached the point of producing power at Gilbertsville. There is not a penny in this bill for any power unit at the Gilbertsville Dam, but there has never been any difference of opinion in the T. V. A. about the value of Gilbertsville Dam as a flood-control project and as a navigation project.

Mr. DIRKSEN and Mr. MAY rose.

Mr. WOODRUM of Virginia. I yield first to the member of the committee.

Mr. DIRKSEN. I believe it should be said in all fairness that there is something more involved here than Gilbertsville. There is involved also a potential expenditure of \$30,000,000 on Watts bar, \$26,000,000 on Coulter Shoals, and \$40,000,000 on two dams on tributaries, on which exploration work is being done at the present time. This aggregates \$96,000,000.

[Here the gavel fell.]

The CHAIRMAN. The Chair will explain the parliamentary situation. The vote will come first on the amendment of the gentleman from Tennessee [Mr. TAYLOR]. The vote will then come on the substitute offered by the gentleman from Pennsylvania [Mr. FADDIS] to the amendment of the gentleman from Virginia [Mr. WOODRUM]. The vote will then come on the amendment of the gentleman from Virginia [Mr. WOODRUM].

The first vote is on the amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

Mr. RANDOLPH. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. RANDOLPH. Is it in order that the amendment be again read at this time?

The CHAIRMAN. By the unanimous consent of the Committee. Does the gentleman make such a request?

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that the amendment be read. I believe the parliamentary situation would be helped thereby and that Members would appreciate it if the amendment should be read.

The CHAIRMAN. Without objection, the Clerk will report the amendment offered by the gentleman from Tennessee.

There was no objection.

The Clerk read the amendment of Mr. TAYLOR of Tennessee.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. Mr. Chairman, as the matter in the amendment is set forth by page and line, it does not conform with the copies of the bill in the hands of the members of the Committee, and I would suggest, therefore, that the Clerk transpose the lineage so we can follow the reading of the amendment.

The Clerk resumed and concluded the reading of the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now recurs on the substitute amendment offered by the gentleman from Pennsylvania to the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. FADDIS) there were—ayes 135, noes 113.

Mr. WOODRUM of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WOODRUM of Virginia and Mr. FADDIS.

The Committee again divided; and the tellers reported that there were—ayes 159, noes 122.

So the substitute amendment was agreed to.

The CHAIRMAN. The question now recurs upon the amendment of the gentleman from Virginia as amended by the substitute amendment of the gentleman from Pennsylvania.

The question was taken, and the amendment, as amended, was agreed to.

The Clerk read as follows:

UNITED STATES MARITIME COMMISSION

To increase the construction fund established by the "Merchant Marine Act, 1936," \$100,000,000, of which not to exceed \$3,990,000 shall be available for administrative expenses of the United States Maritime Commission, including, but not limited to, the following: Personal services in the District of Columbia and elsewhere; travel expenses in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended, including not to exceed \$2,000 for expenses of attendance, when specifically authorized by the Chairman of the Commission, at meetings concerned with work of the Commission; printing and binding; law-books, books of reference, and not to exceed \$2,500 for periodicals and newspapers; procurement of supplies, equipment, and services, including telephone, telegraph, radio, and teletype services; purchase and exchange (including one at not to exceed \$1,500), maintenance, repair, and operation of passenger-carrying automobiles for official use; typewriting and adding machines, and other labor-saving devices, including their repair and exchange; rent, including heat, light, and power, in the District of Columbia and elsewhere; expenses (not exceeding \$10,000) of packing, crating, drayage, and transportation of household effects and other personal property (not exceeding 5,000 pounds in any one case) of employees when transferred from one official station to another for permanent duty, upon specific authorization by the Chairman of the Commission; expenses incurred in preparing and transporting, to their former homes in this country or to a place not more distant, the remains of employees who may die while in the discharge of their official duties abroad or in transit thereto or therefrom, and for the ordinary expenses of interment of such remains; allowances for living quarters, including heat, fuel, and light, as authorized by the act of June 26, 1930; and including not to exceed \$75,000 for the employment, on a contract or fee basis, of persons, firms, or corporations for the performance of special services, including accounting, legal, actuarial, and statistical services, without regard to section 3709 of the Revised Statutes.

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: On page 49, line 10, after the word "which", strike out the word "not" and insert "no part is available to any carrier in competition with another carrier subject to the regulation of the Interstate Commerce Commission and not."

Mr. VAN ZANDT. Mr. Chairman, I offer this amendment to protect one of America's outstanding industries and an industry that employs millions of people, and upon whom other millions depend for their daily livelihood.

During the past months and here today we have discussed the unemployment problem of our Nation. Some say 14,000,000 are unemployed, while others say 13,000,000. We have spent billions of dollars to date, and will, no doubt, appropriate during this Congress billions of dollars to take care of the unemployed, and my amendment will in no way increase the cost of taking care of the unemployed, but will provide employment for the unemployed.

The railroads of this country have plenty of competition. I speak of busses, I speak of private cars, of airplanes, and, especially, of the inland waterways and coastwise transportation vessels, and so forth.

This bill calls for an appropriation of \$100,000,000 to construct vessels, and my amendment will simply restrict these cargo vessels that compete with the railroads of this country, especially in coastwise service.

Please do not forget that in your districts throughout the entire United States there are thousands upon thousands of railroad men dependent upon the railroads, and if you continue to subsidize competition for the railroads of this country, you are simply adding to the unemployment ranks.

I speak here today as one who had been employed on a railroad for 21 years, as one whose family has been employed by the railroads likewise for years, and I know the plight of the engineer, the fireman, the mechanic, and the laborer, and if I were permitted to take you to my home town I could introduce you to thousands upon thousands of railroad men who have not worked for months and months, and who today are refused relief by reason of the fact that they are on the extra list of the railroads.

So let us adopt this amendment and let us give the railroads of this country an opportunity to haul the cargo or the freight they used to haul, and let us restrict the cargo vessels that the Maritime Commission will construct to the hauling of trans-Atlantic cargo and not coastwise. [Applause.]

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

An amendment of this kind should be considered much more fully and carefully than it can be considered here. As a matter of fact, I think the \$100,000,000 which is contemplated here will be expended almost entirely for ships engaged in ocean transportation and trading with foreign countries. At the same time, there is injected by this amendment matters that are now receiving the careful consideration of the Interstate Commerce Committee of the House and also in a short while will receive the careful consideration of the Merchant Marine Committee of the House. I refer to an adjustment or a regulation of rates whereby there may be a cooperation rather than conflict. As a matter of fact, it is seriously questionable if there is any real conflict between the coastwise shipping and the railroads of the country. In some places the railroads themselves are interested in these ships. I think the common-sense thing to do is to defeat this amendment and to permit this question to be considered in the usual regular way. It is impossible at this time to say whether the amendment has any serious effect or not, but it might have and it may be embarrassing to the Commission. The amendment provides that no part of the fund shall be used in connection with any shipping that is in competition with any railroad. There are hundreds of thousands of seamen on the beach, and they are entitled to consideration along with the railroad labor of the country—men who have devoted their lives to the sea and to the sailing of ships. What we ought to do is to try to get at some constructive program that will allow all of these services to survive, so that commerce may be

transported at a reasonable rate to all parts of the country and all kinds of labor may be employed. Do not destroy by an amendment of this kind, but let us approach the problem in a constructive way. [Applause.]

Mr. MAY. Mr. Chairman, I move to strike out the last word, and I do that for the purpose of getting more light on this amendment. I wish to propound a question to the gentleman from Pennsylvania [Mr. VAN ZANDT], the author of the amendment. What is the effect of this amendment on the railroads and the labor of the railroads?

Mr. VAN ZANDT. One hundred million dollars under the present bill is appropriated to permit the construction of ships that will haul cargo—trans-Atlantic, trans-Pacific, or coastwise. My amendment will restrict the use of the money or will restrict the use of ships to the hauling of cargo as far as coastwise traffic is concerned. In other words, no ships built with this money shall haul cargo in competition with railroads that operate, say, between New York and Savannah, New York and New Orleans, New York and San Francisco. The ships could be used only to haul cargo trans-Atlantic and trans-Pacific and would not be permitted to go on the Great Lakes.

Mr. MAY. Does it likewise affect the transportation on the Mississippi River and on the inland waterways?

Mr. VAN ZANDT. It does not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. VAN ZANDT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: Page 50, line 22, change the period to a colon and insert "Provided, That no part of this construction fund shall be expended for the construction of any cargo vessel unless said vessel is equipped with coal-burning equipment."

Mr. VAN ZANDT. Mr. Chairman, this bill provides a \$100,000,000 fund to be used by the Maritime Commission for the construction of vessels and a grant authorizing the Commission to contract for an additional \$230,000,000 of ship construction. My amendment would add this language on page 50, line 22, after the period:

Provided, That no part of this construction fund shall be expended for the construction of any cargo vessel unless said vessel is equipped with coal-burning equipment.

Inasmuch as my amendment is in line with the avowed purpose of the President's recovery program, I fail to see how gentlemen on the majority side of this Chamber could oppose it in good conscience. The adoption of this amendment would revive two great industries. It would take men off relief rolls and put them back to work at decent wages and give our cargo-carrying merchant marine a time-tested fuel at low cost.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield? Mr. VAN ZANDT. Yes.

Mr. HINSHAW. Does the gentleman understand that on the west coast of the United States we do not know what coal is. All we have there for fuel is oil.

Mr. VAN ZANDT. I do. While the benefits of this amendment would be Nation-wide, it would result in tremendous benefit in my district alone. I think it is safe to say that fully 75 percent of the people in the Twenty-third Congressional District of Pennsylvania are either directly or indirectly dependent upon the coal and railroad industries for a livelihood.

Both of these great industries have been hard hit for a decade. The coal industry has suffered as a consequence of this administration's hydroelectric development program, such as the Tennessee Valley projects and the widespread use of fuel oil. The railroads have suffered in consequence of the development of gasoline-propelled transportation of both passengers and freight.

I am not suggesting that naval vessels use coal. Nor am I asking that passenger liners burn coal. But there is no argument against burning coal in the cargo ships to be constructed

with these funds totaling \$330,000,000. The equipment for burning coal in cargo ships is modern and efficient.

Moreover, this is not a question of sacrificing efficiency to give millions of men and women honest jobs. To build ships now not designed to use coal is to fly in the face of plain economic facts. To do otherwise will prove expensive and destructive in the end.

New processes recently have been perfected whereby petroleum may be refined to a point where 80 percent of high-grade gasoline can be produced and in the refining it is not necessary to produce any fuel oil whatsoever.

It is well known that fuel oil has been sacrificed by the oil industry and sold for any price that it would bring. Under the old refining processes it was necessary to make fuel oil because gasoline had to be made. Under the new processes, it is not.

While it may take perhaps 5 years to get this new process into full swing, it is now an accomplished fact and wisdom dictates that we prepare for that time. When this new process is in general use it is obvious that the price of fuel oil will go to such a level that it would be wholly uneconomical to use it for fuel.

The President and other officials of this administration are constantly harping about private industry taking up the slack to relieve unemployment. How can private industry survive, much less take up the slack, if this administration persists in policies which would destroy entire industries and throw more men and women out of work?

Take the question of labor cost in producing coal and oil, for instance. Today the labor cost in producing a ton of coal is \$1.27, while the labor cost in producing 4 barrels of fuel oil, including its refining, which is the equivalent of a ton of coal, is 68 cents. Therefore the Government itself can help solve the unemployment problem by using coal in its cargo ships.

There is a movement in England to put the merchant marine back on a coal-burning basis to put the miners back to work in Wales. Central Pennsylvania and West Virginia produce the best coal adapted to ships. There is no reason why Congress should not see to it now that these new ships are constructed to burn coal.

Let us use some common sense in this recovery program. Let us pass legislation which will not impose a greater burden on the taxpayers of the Nation, but which will revive two great industries and will not only restore employment of the miners and railroaders but will help save these industries from destruction rather than add to the army of the unemployed.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. RANDOLPH. I just want to ask the gentleman if he will not make a correction. He spoke of the excellency of the coal in Pennsylvania and in southern West Virginia. I think it is unnecessary to jump from Pennsylvania to southern West Virginia, because the northern West Virginia coal is just as good.

Mr. VAN ZANDT. We will correct it to say "West Virginia," because I know of the gentleman's deep interest in the coal industry in all sections of his own State.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. HOUSTON. I appreciate the gentleman's position about coal, but I have an oil district. What am I to do? Move to a coal district?

Mr. VAN ZANDT. I am concerned about the unemployed miners in the Twenty-third District of Pennsylvania.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Gentlemen, the Maritime Commission, charged with the responsibilities imposed upon it by the Congress, is trying to build up a merchant marine in this country upon the most economical basis and to meet the responsibilities with which they are charged to build up an American merchant marine for national defense and for the promotion of the commerce

of this country. In order to have a merchant marine provided for national defense, we must have the most modern, up-to-date ships, and we must take into consideration the merchant marine of all nations of the world. Insofar as it is possible to use coal, if most economical, I am sure it will be considered, but we must consider the nations of the world which are using oil. I may add that there are oil districts in this country, too. It is not to the interest of our merchant marine that we shall devote these cargo carriers entirely to coal. One of the gentlemen on the minority side asked a few moments ago what would be done on the Pacific coast where there is no coal. That question is peculiarly pertinent. What is to be done with the cargo carriers going to other nations of the world where they cannot get coal? What is going to be the extra expense of building bunkers in the ship to carry the coal to foreign destinations and return, even if possible. What about the space used for coal which will destroy the cargo-carrying capacity?

I wish you could realize what we are up against in fighting the merchant marine of other nations of the world, seeing how Germany and Italy and other nations are driving, in a perfectly proper way, to build their merchant marines. We must meet these nations on an economical basis. We cannot pass upon this question of construction here on the floor of the House, but must leave those questions to the agencies in which we have vested this great responsibility who will try to solve these and other problems so as to reduce the cost to the American people.

I appeal to you to defeat this amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was rejected.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans", approved July 3, 1930 (38 U. S. C. 11-11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, \$97,000,000: *Provided*, That not to exceed \$3,500 of this amount shall be available for expenses, except membership fees, of employees, detailed by the Administrator of Veterans' Affairs to attend meetings of associations for the promotion of medical science and conventions of organized war veterans: *Provided further*, That this appropriation shall be available also for personal services and rentals in the District of Columbia and elsewhere, including traveling expenses; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the Administrator; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; purchase and exchange of law books, books of reference, periodicals, and newspapers; for passenger-carrying and other motor vehicles, including purchase, maintenance, repair, and operation of same, including not more than two passenger automobiles for general administrative use of the central office in the District of Columbia, one of which may be replaced during the fiscal year 1940 at a cost, including exchange, of not to exceed \$1,500; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to expend not to exceed \$2,000 of this appropriation for actuarial services pertaining to the Government life-insurance fund, to be obtained by contract, without obtaining competition, at such rates of compensation as he may determine to be reasonable; for allotment and transfer to the Public Health Service, the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment; for expenses incidental to the maintenance and operation of farms; for recreational articles and facilities at institutions

maintained by the Veterans' Administration; for administrative expenses incidental to securing employment for war veterans; for funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration accruing during the year for which this appropriation is made or prior fiscal years: *Provided further*, That the appropriations herein made for the care and maintenance of veterans in hospitals or homes under the jurisdiction of the Veterans' Administration shall be available for the purchase of tobacco to be furnished, subject to such regulations as the Administrator of Veterans' Affairs shall prescribe, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes: *Provided further*, That this appropriation shall be available for continuing aid to State or Territorial homes for the support of disabled volunteer soldiers and sailors, in conformity with the act approved August 27, 1888 (24 U. S. C. 134), as amended, for those veterans eligible for admission to Veterans' Administration facilities for domiciliary care.

Mr. BLAND. Mr. Chairman, I offer an amendment.
The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 51, line 16, strike out "\$97,000,000" and insert in lieu thereof "\$98,000,000."

Mr. BLAND. Mr. Chairman, my purpose in bringing this amendment before the House is to provide that the United States Government shall do with some of its own employees that which it is trying to get industry to do with its employees. We pass fair standard labor acts and other provisions and at the same time the United States violates every rule and every principle of that act in the veterans' facilities, with its own employees.

When the hearings on this bill were in progress I asked the gentleman from Virginia—and I am not complaining of him at all—if he would interrogate the witnesses before him to know why it was that waitresses, nurses, firemen, chauffeurs, attendants, and other persons are required to work outrageously long hours at these facilities and for unreasonably low pay. In the case of chauffeurs, some of them were required to work for 24-hour stretches. The excuse for that action was that this chauffeur was on a "stand-by" service. In other words, he could lie down, with a phone close by during the night; but if somebody called the chauffeur to take him out to a hospital or for other legitimate purpose, or for any excuse, he would have to go out.

That is not rest. That is violating every 8-hour principle that is known. It is true an attempt is made to justify it in this way. I said if you will go into the wages and hours of these facilities you will find that few industries, if any, against whom the United States is aiming legislation, have as grossly violated the principles the present administration seeks to establish, as does the United States itself.

I have not had this up before with the Appropriations Committee. I brought it up with them for the first time this year. I am not complaining of them. However, personally I had taken the matter up with the head of the veterans' facility in my own district, and the answer was "We do not get enough appropriation." I do not know whether the gentleman from Virginia [Mr. WOODRUM], who has a veterans' facility, find these conditions in his hospital or not; but I have found that they exist in mine. I think they exist generally. If they do not, I wish the discrimination against my institution to cease. If they do exist generally, I desire the conditions remedied as to all.

Mr. Hiller, executive assistant to the Administrator, appeared before the committee. He said they have been trying to put into effect a schedule for an 8-hour day insofar as attendants and nurses were concerned. He states:

We have asked field stations for an estimate of the cost of establishing three shifts a day of 8 hours each, and they have submitted them. We are now analyzing those estimates and testing their accuracy, but they will, of course, call for additional funds.

The same old answer has been given for many, many years. The time has come when we need action. We should stop analyzing, reach a conclusion, submit estimates, and bring in appropriations.

I had a letter today from General Hines with reference to an inquiry submitted to him along this line, and he says:

Concerning the different statements with regard to hours of duty, as you know, the Veterans' Administration is in favor of a minimum straight 8-hour day for all employees of facilities. It

has not been possible, however, to put this into effect generally or at all stations and at the same time render proper care to the beneficiaries over a 24-hour period. In order to accomplish it fully additional funds will be necessary for the purpose of additional personnel, which have been requested in connection with the 1940 estimate.

As I understand it, these are the 1940 estimates we are considering now? I may be mistaken. I ask if they are?

Mr. WOODRUM of Virginia. Yes.

Mr. BLAND. And yet Mr. Hiller says they will not have enough money. The time has come for somebody to act. I do not wish to criticize the Veterans' Administration, but the time has come to stop talking and to do some acting. Probably this additional \$1,000,000 will help take care of some of these people that are working 12 hours and longer a day in these facilities.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. RANDOLPH. I have introduced legislation along the line the gentleman advocates. I hope the Civil Service Committee will approve it. Long hours and the type of work they are engaged in is certain to tax their mental power, weaken them physically, and tear down their nerves.

Mr. BLAND. Of course, it is; and it is not right. They should not be treated this way.

Mr. HINSHAW. Mr. Chairman, will the gentleman bring out the fact that many of these employees have deducted from their subsistence allowance things they do not use?

Mr. BLAND. Absolutely. I did not have time to go into that, but that ought to be mentioned. In other words, they ought not to be made to pay for a meal that they do not eat. [Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER] for 5 minutes.

Mr. SHAFER of Michigan. Mr. Chairman, I ask unanimous consent to include in my remarks a report to the Veterans' Administration.

The CHAIRMAN. The gentleman will have to submit that request in the House.

Mr. SHAFER of Michigan. Mr. Chairman, I rise in support of this amendment merely because it affords me an opportunity to again protest the Veterans' Administration's practice of making compulsory deductions from salaries of low-paid hospital employees for quarters, subsistence, and laundry, regardless of whether these services and facilities are used.

I desire to call attention of this Congress to the fact that some 37,000 employees in veterans' hospitals and facilities are being subjected to these compulsory deductions and that in my district alone it is costing these employees nearly \$16,000 a year. I have in my possession a report of an investigation recently made by my colleague from Michigan [Mr. ENGEL] setting forth this fact. The report, which I will insert in the Appendix of today's CONGRESSIONAL RECORD, further shows that the Veterans' Administration, or Federal Government, has actually profited through these compulsory deductions.

Mr. ENGEL's findings should be studied by every Member of this House and I invite every Member's attention to my extension of remarks. I also take this opportunity to again call attention to a bill, H. R. 2402, now pending before the Committee on World War Veterans' Legislation, which would prevent the Veterans' Administration from continuing its practice of compulsory pay deductions and would also prevent the Administration from charging more than actual cost for quarters, subsistence, and laundry.

The present policy of the Veterans' Administration is manifestly unfair and Members of this Congress should insist that it be abolished. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, this is not a new matter that has come to the attention of Congress. For the last 2 or 3 years the matter has been considered by the Committee on Appropriations and by the Veterans' Administration, and a great deal of remedial action has been taken administratively. The universal rule over the United States in hospitals is for attendants and nurses to work 12 hours a day. There are very few private institutions that have found it possible to establish an 8-hour day for attendants and nurses. The Veterans' Administration is trying to do it, trying to see if it can be worked out administratively.

There is also the question of deductions from the attendants' pay. This committee is just as anxious as any Member of the House to remedy the situation. We called it to the attention of the Veterans' Administration. You will find it in the hearings and even as late as yesterday I talked personally with General Hines about it and was given assurance that administrative action would be taken as quickly as possible to remedy the situation.

It is necessary that some of these attendants live on the station. The Government in some instances has built quarters for them. It is necessary for the attention of the veterans to have nurses and attendants available at all times. An additional appropriation of a million dollars does not affect the situation at all. General Hines told me yesterday they did not need additional money; that they could find the funds in their appropriation. It is purely a question of administrative action. To add a million dollars to this item is purely an idle gesture. We have the word of the Veterans' Administration that it will correct this situation as fast as it can be done administratively. I hope the committee will not add on another million dollars for this purpose.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. This is a matter I have taken up with the Veterans' Administration for a number of years, and I fear it is necessary that the House take action in order to get the Veterans' Administration to do anything.

Mr. WOODRUM of Virginia. If you put \$10,000,000 in here, it will not make the Veterans' Administration issue an administrative order.

Mrs. ROGERS of Massachusetts. I think it would help.

Mr. WOODRUM of Virginia. The committee has accomplished a great deal in this connection, and if the gentlewoman from Massachusetts has informed herself, she will find they have accomplished a great deal in remedying this situation. More will be accomplished later. But just sticking money in here does not affect them at all. It requires administrative action, unless the Congress wants to pass an organic law to require the Veterans' Administration to do so.

Mrs. ROGERS of Massachusetts. It would be notice to the Veterans' Administration that that should be done.

Mr. DIRKSEN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. It has been definitely inaugurated in a number of hospitals already, has it not?

Mr. WOODRUM of Virginia. Yes.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The amendment was rejected.

The Clerk read as follows:

Total, Veterans' Administration, \$561,093,000: *Provided*, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes.

Mr. ALEXANDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday the statement was made in the House in connection with the consideration of this bill that the veterans have the most liberal insurance privilege of any

American citizen. I take issue with that statement and I will try to prove that the veteran who is insured under the War Risk Insurance Act of 1917 and 1918 has anything but the most liberal insurance privilege of any American citizen.

At the department convention of the American Legion of Minnesota last August, that department adopted the following resolution, which I will read, in part:

That Congress investigate the insurance section of the Veterans' Bureau with a view to determining the equity of the present cost to the veteran; that the policies be changed to provide that the insurance will not lapse for nonpayment of premiums as long as the loan value is sufficient to pay such premiums; that the interest rate be reduced to not more than 3 percent, and that such reduction be made retroactive to the date the loans were made; that the nonassignable clause in the policy be removed and that the veteran be given full control over its disposition.

Mr. Chairman, in connection with the hearings held on this resolution at our department convention, facts were offered showing that the veterans are paying in many cases as much or more for Government insurance than they would if they had similar insurance in old-line insurance companies. I know from my own experience that is the case.

It will be remembered that at the time of the World War some 4,700,000 veterans were induced to take this insurance on the basis of the claim made at that time that it would be at cost; there would be no salesman's commissions, no doctor's fees, no office overhead, or expense of any kind, but notwithstanding those savings, so inefficiently, it is felt in many quarters, and although the Bureau is a paragon of efficiency in most respects, so inefficiently has the insurance division of the Veterans' Administration handled the insurance section for the World War veterans that the cost to them is now equal to or in excess of that being paid on ordinary insurance taken out in private concerns.

You can borrow money from the banks in my State for 5 percent. You cannot borrow money of the Government on your Government war-risk insurance at less than 6 percent. Why? It is because of one reason mainly. There is a non-assignable clause in these Government insurance policies, as pointed out in this resolution. Is there justice in that sort of treatment of these men and women who have carried this insurance throughout the long years since the World War, and especially since the Government's money cost is less than 3 percent?

May I ask further: If this insurance is such a wonderful thing, if it is such a great privilege and benefit, and if it is such a liberal proposition, then why have only 602,614 of the nearly 5,000,000 policies been retained? Why is there only \$2,569,240,190 worth of the approximately \$50,000,000,000 of potential insurance, which was or which might have been placed on the Government books in 1917 and 1918, to be found in force at this time?

Mr. VAN ZANDT. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true many veterans who hold their war-risk insurance today, converted of course, have borrowed the limit on their policy and are unable to repay the loans to the Federal Government, not only by reason of the rate of interest but also by reason of unemployment?

Mr. ALEXANDER. Yes. That is another point I wish to cover.

[Here the gavel fell.]

Mr. VAN ZANDT. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ALEXANDER. You hear a great deal in this House about the economic royalists and about the unemployed, but you hear very little about the 75 or 80 percent of the people, the great middle class of this Nation, like these 602,614 veterans who are carrying this insurance. I say "like these veterans" because, to my mind, they represent, not the economic royalists and not the unemployed but the good, self-

respecting, hard-working people who are trying to set up a little estate for themselves to provide for their families and to protect themselves against Government dependency; yet, notwithstanding this highly laudable desire on their part, instead of being encouraged they are being discouraged; they have been forced to pay 6 percent on their Government insurance policies and to pay as much or more for this insurance as they would if they had taken the insurance in the beginning from private insurance corporations, because this highly inefficient Government insurance agency has taken advantage of their liberality and their trusting natures.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the old-line companies are reducing their rate of interest to 5 percent?

Mr. ALEXANDER. I do not know as to that, I may say to the gentleman, but I do know that I could borrow money at 5 percent on my name in my bank in my city, and I could borrow money at that rate on my insurance policy if this nonassignable proviso were not included. Why should we be forced to pay 6 percent?

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Kansas.

Mr. HOUSTON. Have organized efforts ever been made by ex-service organizations to have the Veterans' Administration adopt such a plan?

Mr. ALEXANDER. There have been many attempts, but not of a systematic, well-organized nature.

Mr. HOUSTON. Is the 6-percent feature in the organic law?

Mr. ALEXANDER. The law was set up that way originally, as I understand.

Mr. VAN ZANDT. If the gentleman will yield so I may answer the question of the gentleman from Kansas, I may say the organized veterans at the present time have presented to the Committee on World War Veterans' Legislation a proposal that will reduce the rate of interest from 6 percent to as low as 3½ percent if my memory serves me correctly.

Mr. HOUSTON. I hope such a proposal is adopted.

Mr. ALEXANDER. A bill has already been introduced in this session of Congress with the aim of reducing the interest rate on Government loans on war-risk insurance policies to 3½ percent. When this measure comes before the House, as I hope it will in the near future, I trust you will give it very careful and conscientious consideration. [Applause.]

Mr. Chairman, I submit herewith for inclusion in the Record the insurance resolution of the Department of Minnesota, American Legion, above referred to, together with some of the evidence supporting that resolution:

1. That Congress investigate the insurance section of the Veterans' Bureau with a view to determining the equity of the present costs to the veteran.

2. That the policies be changed to provide that the insurance will not lapse for nonpayment of premiums as long as the loan value is sufficient to pay such premium.

3. That interest rates be reduced to not more than 3 percent, and that such reduction be made retroactive to the date the loans were made.

4. That the nonassignable clause in policy be removed, and that the veteran be given full control over its disposition.

5. That the insurance division of the Veterans' Bureau be requested to improve the service in general and place it on a plane more comparable to that rendered by commercial insurance companies.

The foregoing was adopted by the convention delegates as part of the rehabilitation program for 1938. The full text of the insurance resolution follows:

Whereas there has been a growing dissatisfaction among those World War veterans who are carrying converted Government insurance based on costs, types of policy, interest notes on loans, and service in general; and whereas some posts have made a study of the reasons underlying these dissatisfactions and find as follows:

1. Annual costs: That the net annual cost of the Government insurance is higher than seems reasonable when it is considered that there are no agents' fees to be paid, and that the Government is supposed to pay all operating costs. We find that for some classes of policies the costs are about the same or even a little higher than those of some of the larger insurance companies.

One individual case investigated reveals that the veteran took out a \$10,000 straight life policy at the age of 47 for which the

annual premium, based on quarterly payments, is \$31.60 per \$1,000. Inasmuch as the policy does not and has not for many years paid a dividend, this \$31.60 represents the net cost per thousand.

At the same age (47) the veteran took out a \$2,000 policy in one of the larger mutual companies on which he pays a quarterly premium of \$21.08, or \$42.16 per \$1,000 per year. However, this latter policy has consistently paid an annual dividend of about \$10.50 per \$1,000, making the net cost approximately \$31.66 per \$1,000, or the same as the Government.

Both policies have a permanent-disability clause and are very comparable. The premium of the old-line policy is sufficient to pay all agents' fees, overhead, etc., that are not required of the Government premiums.

2. Lapses: The policy contract is such that the insurance lapses if the premium is not paid before the end of the 31-day grace period, even though there may be a substantial loan value. The policy referred to under paragraph 1 and most all other policies issued today provide that the insurance will not lapse for nonpayment of premium as long as there is sufficient loan value to meet the premiums. In case of nonpayment the loan is made automatically.

We have knowledge of numerous cases where this feature has saved policies during the depression. The Government contract could and should incorporate this feature without adding to the cost.

3. Interest rates: The contract provides that loans shall be at a rate not to exceed 6 percent compounded annually. No minimum interest rate is specified. We fail to find any case where less than the maximum rate of 6 percent has been and is being charged.

The World War veteran being no different from the cross-section average of American citizenry, has suffered from the depression of the last decade and the collapse of values just as have the others. Many, yes most, with or without employment, have been forced to borrow money to keep off of relief rolls as long as possible and to protect investments.

Many policies are rapidly becoming valueless due to the accumulation of interest at this high rate. Many veterans' families, for whom the veteran has earnestly attempted to provide an estate, are going to be left destitute and to the mercies of charity.

The Government has adopted the policy of lending money to others in distress at substantially lower rates and on security that is frequently of a doubtful nature, and we see no reason why the rates to veterans on such gilt-edge security should not be retroactively reduced to around 2½ or 3 percent.

Inquiries made regarding high rates of interest now charged have been met with the argument that this rate increases the dividend, that the policyholder himself is the beneficiary; and that it is a good thing in that it discourages borrowing. In view of the very small dividend paid (on such policies as are paying anything and to the large number that are paying no dividend at all) we believe this argument to be without merit. Further assuming that it has some merit, we do not believe that any veteran wishes to be the recipient of dividends for which a comrade is penalized.

4. Nonassignable clause: The policy contains a provision that it cannot be assigned, which makes it useless as security for loans from banks or other institutions that would be glad to make loans at rates less than 6 percent, even as low as 4 percent.

We are told by representatives of the Veterans' Bureau that this is in the interest of the veteran in that it discourages borrowing, and that it protects the veteran's family by preventing the veteran from assigning his policy and losing it.

This paternal interest may have been proper 20 years ago, when many of us were young and inexperienced. But in our now mature years it would seem that the veteran should have fuller control over his own affairs.

We have knowledge of cases where, had the Government policies been assignable, loans made from the Government could have been negotiated at banks at a lower rate. Further, from such inquiries and observations as we have made, we find that loans made locally with a definite maturity date are more frequently finally paid than are those made from the Government or insurance companies.

5. Service in general: Investigation of complaints of poor service has revealed cases where it has taken months for veterans to secure insurance. There are cases where policies have lapsed because premiums were received by the Bureau a few days late and the veteran did not receive notice of such lapse until 30 or 60 days later.

We see no reason why such conditions should exist and why the veteran should not reasonably expect to receive the same prompt and efficient service from the Veterans' Bureau as he gets from other insurance companies.

Mr. IZAC. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in connection with the matter just brought to your attention by the gentleman from Minnesota, I can tell you why and how it happens that the veterans who have converted their insurance are unable to borrow money on their policies at less than 6 percent.

In 1919, after the war, we were all privileged to convert our insurance. The commercial companies saw to it that the Government insurance policies were not too lenient with the veterans; in other words, they saw to it that the same type of insurance policy was offered to us that they could offer us in civil forms of insurance. Now, about one-third of

the 600,000 veterans who have converted their insurance have borrowed on their policies. The gentleman from New York [Mr. FISH] has introduced a bill to reduce the rate of interest on such loans from 6 percent to 3½ percent. I hope this bill comes before the Congress, because I believe if we cannot get 3½ percent, the rate of interest should be reduced to at least what the farmers have to pay, approximately 4 percent.

The Veterans' Administration has nothing to do with this situation at the present time. Under the law, the Veterans' Administration cannot change that rate of interest, so I believe it is up to the Congress to take the law in its hands and pass some measure that will provide better treatment for the veterans. It seems we are paying now a high enough rate of interest to reimburse the Treasury of the United States for considerably more than we are giving the veterans who are unable to convert their insurance in connection with the bill we passed last year continuing term insurance for another 5 years. There is no reason why the Treasury of the United States should profit by the payment of this exorbitant rate of interest by the veterans.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Let me say to the Members of the House that this question is now being considered by the Committee on World War Veterans' Legislation. The representative of the American Legion, testifying before the committee this morning, suggested a reduction of the rate of interest on these insurance loans from 6 percent to 5 percent. As chairman of the committee, and without attempting to commit any of the other members of the committee, I suggested to him that the rate might be lowered to 3 or 3½ percent.

I believe it was in connection with loans of the Rural Electrification Administration that we had some difficulty a year or two ago in fixing the interest rate. My recollection is that we finally agreed to base the rate on the rate of interest the Government had to pay for money the year before. As a result, we got the rate down to 3 or 3½ percent, as I recall. It might have been the Electric Home and Farm Authority that was involved instead of the Rural Electrification Administration, but it was one of those agencies.

If the Government can borrow money at 2½ percent or 3 percent, I see no reason why the Government should charge the veterans more than one-half of 1 percent, or certainly not more than 1 percent more than the Government has to pay for its money.

I am unwilling to let the old-line insurance companies set the pace. It has been argued that we ought to keep up with them and let them fix the interest rates. The trouble is now that we have let the money changers fix the interest rates of this country too long. It is time for the Congress of the United States, representing the American people, to take steps to bring interest rates down.

I do not know what kind of legislation we can bring out, and I do not know what kind of legislation we can get passed and approved, but I do wish to say that this matter will be carefully considered by the Committee on World War Veterans' Legislation and that we will do the very best we can. My opinion is that the Government should pay the administration expenses of the Veterans' Administration and not charge that expense up to the veterans who have to borrow on their insurance policies. If that is done, I feel confident that this interest rate can be reduced to at least 4 percent and probably to 3½, or maybe 3 percent.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

The Clerk read as follows:

HOME OWNERS' LOAN CORPORATION

Not to exceed \$24,500,000 of the funds of the Home Owners' Loan Corporation, established by the Home Owners' Loan Act of 1933 (48 Stat. 128), shall be available during the fiscal year 1940 for administrative expenses of the Corporation, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821-833);

expenses (not to exceed \$5,000) of attendance at meetings concerned with the work of the Corporation when specifically authorized by the Board of Directors; printing and binding; lawbooks, books of reference, and not to exceed \$500 for periodicals and newspapers; procurement of supplies, equipment, and services; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, to be used only for official purposes; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; use of the services and facilities of the Federal Home Loan Bank Board, Federal home-loan banks, and Federal Reserve banks; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation or in which it has an interest, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That except for the limitations in amounts hereinbefore specified, and the restrictions in respect to travel expenses, the administrative expenses and other obligations of the Corporation shall be incurred, allowed, and paid in accordance with the provisions of said Home Owners' Loan Act of 1933, as amended (12 U. S. C. 1461-1468).

Mr. SUTPHIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: Strike out lines 20 to 25, inclusive, on page 57, all of page 58, and lines 1 to 4, inclusive, on page 59.

Mr. SUTPHIN. Mr. Chairman, the Home Owners' Loan Corporation was organized for the finest purpose in the world: to save the home of the distressed home owner. They made more than 1,000,000 loans. They loaned more than \$3,000,000,000. At the present time they have had to take over approximately 114,000 properties. They bailed out the insurance companies, the banks, building and loan associations, and other lending agencies, but at the present time they are nothing more than a collection agency with a property management division. There are two different departments here in this city that have fully equipped collection agencies with property management divisions that are able to take over the functions of this Department at the present time.

We have heard a lot said about favoring economy. Here is an opportunity to save \$24,500,000 by not giving it to a bureau that is performing work than can be performed by other agencies already established. By supporting this amendment you will save the Government that much money. We have heard a great deal about reorganizing the Government. Here is an opportunity to reorganize by legislation, and I hope you will support the amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes, and I would like to have 2 minutes of the time myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, the gentleman from New Jersey [Mr. SUTPHIN] and I are seldom apart on questions, and it is rather difficult for me to take issue with him on this particular question, but I am forced to do so.

The Home Owners' Loan Corporation is something more than a collection agency. It supervises \$4,750,000,000 worth of bonds, fully guaranteed both as to principal and interest by the Federal Government. It supervises \$100,000,000 of capital which it has invested in the Federal Savings and Loan Insurance Corporation, and it supervises the \$300,000,000 which was set aside for purchasing the bonds and debentures and the notes of the Federal home-loan banks, shares of the Federal Savings and Loan Associations, and shares of the members of the Federal Home Loan Bank System.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I only have 3 minutes.

Mr. SUTPHIN. The gentleman is referring to the Home Owners' Bank Board?

Mr. WOLCOTT. I am referring to the Home Owners' Loan Corporation, the H. O. L. C.

There is no agency which is set up which can take over without a great deal of expense to the Federal Government the activities of the Home Owners' Loan Corporation. They have innumerable offices throughout the United States.

I think the Home Owners' Loan Corporation has done a very fine job in the face of almost insurmountable obstacles. We set up the system as an adjunct to certain credit facilities to save the homes of distressed people. It has done a splendid job. We laid out a plan for them, and they have followed it. We virtually wrote the policy under which they would operate. If there is any question about efficiency in the operation of Home Owners' Loan Corporation, we have got to share the responsibility for it. So far as the personnel of the Board is concerned, and I believe a large majority of the employees, it is probably one of the most efficient agencies of the Federal Government.

In my personal estimation, the Home Owners' Loan Corporation comes next, perhaps, to the Reconstruction Finance Corporation in the efficiency of its administrative functions and its desire to do the job as we laid the job out for it to do.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Chairman, we all recall that the Home Owners' Loan Corporation was created in June 1933 for the purpose of extending a helping hand to those millions of home owners who were unable to obtain refinancing through private sources because of the conditions which then existed. Having quickly geared itself to cope with the millions of applications which flooded its offices, it emerged at the end of its refinancing period 3 years later, in June of 1936, with a total of over 1,000,000 mortgage loans. Since that time it has been engaged in the task of servicing and liquidating these million mortgage loans. Some idea of the vast responsibilities which are involved in such a gigantic operation will be apparent to you from reading the recent report covering the hearings before the subcommittee of the Committee on Appropriations of the House during its consideration of the bill now before us. The difficulties inherent in the necessity of adequately reservicing its outstanding loans in the economic management and resale of the properties it has been forced to acquire, and in carrying out the financial and administrative processes of its organization all require continuance of control in those hands which have become thoroughly familiar with these problems by actual contact.

Throughout its operation the Corporation has shown and is continuing to reveal a record of efficiency, economy, and competency unusual in the annals of public service.

Those charged with its control have evolved and are practicing policies which show every consideration to the distressed home owners with whom they are required to deal. Its million borrowers have become thoroughly familiar with these policies and know where they stand and on what they can rely in the difficult process of paying off the obligation in their hands.

A far-sighted plan for the disposition of those properties which it finds it necessary to acquire is now in operation. The financial affairs of the Corporation and the billions of dollars in bonds which are in the background are being ably controlled by those trained to the task.

Into this picture, it seems highly inadvisable to introduce the extensive new complications which necessarily must come with any change of control.

Any such move will add new uncertainties and disturbing factors to many phases of both the internal set-up of the corporation and the national picture. It will increase the anxieties of its million borrowers and leave them facing all the possibilities which are inherent in any change of control. It will produce an adverse effect upon the financial markets of the Nation. It will immediately interfere with the efficient discharge of the Corporation's functions by causing its loyal and hard-working employees to anticipate such changes in their jobs as may be brought about by the change in con-

trol. The legal complication and the additional involvements which such a change will bring about in the titles of a million parcels of real estate should be the cause of grave concern.

It seems to me that to advocate a step which necessarily involves all these undesirable consequences would seem to be justifiable only were there a present evil which required a drastic remedial step. But I can see none in the record. The closest scrutiny has revealed that the Corporation, both in its past and present operation, has conducted its affairs in a manner which would compare favorably with the record of any private corporation throughout the country. Its heads have demonstrated unusual ability to foresee and deal wisely with all its problems and have a record of efficiency that can meet comparison anywhere and a tendency toward economy that is unparalleled in an organization of its kind.

I want to stress the thought that we all bear foremost in mind the fact that although the Corporation is in liquidation it is still a vast and going business enterprise, and I wish to urge that no change, such as that proposed, be introduced into its future so as to unnecessarily imperil its course toward final liquidation. [Applause.]

Mr. McDOWELL. Mr. Chairman, on February 6, in the county of Allegheny, which includes the city of Pittsburgh, Pa., there were apparently a large number of foreclosures of homes by the Home Owners' Loan Corporation. The reason for the foreclosures was, of course, the inability of the former owners of these homes to meet either the interest or the principal on their loans.

Over the week end in Pittsburgh I was besieged by these unfortunate citizens to do something to save their homes. There is a gradually growing impression in the United States that the Government of the United States itself, through the Home Owners' Loan Corporation, has become the most vicious shylock in the Nation's history.

This H. O. L. C. was created by the Congress to save the distressed home owners of the Nation, the homes that many of them have spent their lifetime in acquiring. Agents and officials of the H. O. L. C. have since its creation given the impression to the home owners, many thousands of them unemployed or receiving such small pittances from private industries that they could not maintain their homes, that the kindly hand of Uncle Sam would be extended to assist them. Let it be known that this kindly hand has become a clutching hand; that the United States is now the largest owner of repossessed small homes in the Nation; that thousands of men, women, and children are being kicked out of their homes all over the Nation in a manner that would shame even the Irish landlords of infamous memory.

I have in my possession notices of foreclosures of those Pennsylvania homes signed by James M. Guffey, 2d, of Pittsburgh, foreclosure attorney for the H. O. L. C. We have been told countless times in Pennsylvania that the very name signed to these eviction notices stands for charity, understanding, and compassion for the poor and the oppressed. On the other hand, we know that the name stands for complete governmental generosity here in Washington.

Our small-home owners in Pennsylvania have been tricked into the belief that the H. O. L. C. would save their homes; now they know the bitter fact that the cold and calculating, steely eyes of Uncle Sam are just as relentless in their demands for his pound of flesh as any of the fabled bankers of Wall Street. If we could transfer this relentless capacity for collecting what is due the United States from thousands of small-home owners of the country to those European powers who owe us billions of dollars, and about which we send polite notes, the American people would be greatly benefited in both respects.

My colleagues, I am bringing you the emphatic protest of thousands of Pennsylvanians who want this vicious practice stopped and who want the H. O. L. C. investigated, reorganized, or abolished.

On March 4, 1933, on the steps of this very building, almost the first words uttered by the incoming administration were those denouncing the money changers in the temple. Mr.

Chairman, Members of the Congress, I invite you to look around among our Government bureaus and get a short-range view of the money changers. Despite all declarations to the contrary, they are still sitting right here with us in the temple. It is time we did a real job of kicking them out. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, the statement that the United States Government is a heartless Shylock is so ridiculous and fantastic when compared with the actual fact that it is hardly necessary to answer the insinuation. From the time when the Home Owners' Loan Corporation was established until it ceased functioning on June 12, 1936, it had made loans to 1,017,000 home owners who could not secure relief from the banking institutions in the United States aggregating the sum of \$3,000,000,000. Subsequent loans incurred increased that amount to \$3,146,000,000. The Home Owners' Loan Corporation has made marvelous collections on these loans, but has had to repossess 14 percent of its loans, which is substantially more than any other lending company in the United States. They have a record that cannot be met or challenged by any private lending concern in the United States, notwithstanding the fact that they were called upon to do business with a crowd of American citizens who were down and out because of economic disaster, and not in a single instance has that Corporation ever foreclosed upon any citizen where there was the slightest chance of his ever being able to pay up the funds. Gentlemen should bear in mind that Congress created this agency to make loans and not hand out gratuities, and if Congress wants to amend the law to give back the interest and wipe out the debt that is one proposition; but as the law stands today they are loans, and as the record stands today they have an unsurpassed record. I hope the amendment will not be agreed to.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. SUTPHIN) there were—ayes 11, noes 63.

So the amendment was rejected.

The Clerk read as follows:

FEDERAL HOUSING ADMINISTRATION

Not to exceed \$9,000,000 of the mutual mortgage insurance fund and \$3,500,000 of the funds advanced by the Reconstruction Finance Corporation to the Federal Housing Administration, created under authority of the National Housing Act of June 27, 1934 (48 Stat. 1246), in all \$12,500,000, shall be available during the fiscal year 1940 for administrative expenses of the Administration, including: Personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821-833), but there may be allowed in addition to mileage at a rate not to exceed 4 cents per mile for travel by motor vehicle reimbursement for the actual cost of ferry fares and bridge and tunnel tolls, and employees engaged in the inspection of property may be paid an allowance not to exceed 3 cents per mile for all travel performed in their personally owned automobiles within the limits of their official posts of duty when such travel is performed in connection with such inspection; printing and binding; law books, books of reference, and not to exceed \$1,500 for periodicals and newspapers; not to exceed \$1,500 for contract actuarial services; procurement of supplies, equipment, and services; purchase of one and maintenance, repair, and operation of three motor-propelled passenger-carrying vehicles, to be used only for official purposes; payment, when specifically authorized by the Administrator, of actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses to persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Administration; not to exceed \$2,000 for expenses of attendance, when specifically authorized by the Administrator, at meetings concerned with the work of the Administration; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the operation, maintenance, improvement, or disposition of real or personal property of the Administration acquired under authority of title II of said National Housing Act, shall be considered as nonadministrative expenses for the purposes hereof, and shall be paid from the mutual mortgage insurance fund created by said act: *Provided further*, That,

except for the limitations in amounts herein before specified and the restrictions in respect to travel expenses, the administrative expenses and other obligations of the Administration shall be incurred, allowed, and paid in accordance with the provisions of said act of June 27, 1934, as amended (12 U. S. C. 1701-1723): *Provided further*, That not exceeding \$300,000 of the sum herein authorized shall be expended in the District of Columbia during the fiscal year 1940 for purposes of the Public Relations and Education Division.

Mr. WOODRUM of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM of Virginia: Page 59, line 6, after the word "exceed", strike out "\$9,000,000" and insert in lieu thereof "\$11,500,000"; and on page 59, line 11, strike out "\$12,500,000" and insert in lieu thereof "\$15,000,000"; on line 11, after the figures "1940", insert the following: "*Provided*, That of such sum of \$15,000,000 the sum of \$2,500,000 shall be available for the remainder of the fiscal year 1939."

Mr. WOODRUM of Virginia. Mr. Chairman, in explanation I will say that, of course, we recall in the case of the Federal Housing Administration that they have their own funds and Congress authorizes an expenditure for administrative expenses. The administrative expenses are running into a deficit, and there is a Budget estimate of \$5,000,000 deficit for the remainder of the fiscal year for the Federal Housing Administration pending before the deficiency subcommittee, but under the present situation it looks as though we would not get another deficiency bill for some 6 to 7 weeks. They are badly in need of an authorization to use their own funds. This amendment would permit the use of half the amount the Budget committee has recommended for the remainder of the fiscal year, until the subcommittee on deficiencies can have a hearing upon the matter. I have shown the amendment to the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from Illinois [Mr. DIRKSEN], and I understand that they have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 3. During the fiscal year ending June 30, 1940, the salaries of the members of the Authority and the Administrator, Civil Aeronautics Authority, of the Commissioners of the Interstate Commerce Commission, the Commissioners of the United States Maritime Commission, and the Commissioners of the United States Tariff Commission shall be at the rate of \$10,000 each per annum.

Mr. COCHRAN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 66, beginning in line 18, strike out all of section 3.

Mr. COCHRAN. Mr. Chairman, this is the section to which I referred in my remarks on Monday and Tuesday that places a limitation on the amount of money appropriated in this bill that can be paid to the members of the Authority and Administrator, Civil Aeronautics Authority, the Commissioners of the Interstate Commerce Commission, the Commissioners of the United States Maritime Commission, and the Commissioners of the United States Tariff Commission.

The gentleman from Virginia, the chairman of this committee, yesterday told the House, in opposing an amendment that had to do with the Civil Aeronautics Authority, that the House, after deliberate consideration, passed the bill organizing the Civil Aeronautics Authority. The gentleman further stated:

I believe every member of the subcommittee was impressed with the ability and sincerity of the people who are operating this department.

Yes; the House did pass that bill; and the gentleman from Virginia [Mr. WOODRUM] voted for it and practically every member of this subcommittee voted for it, if not all. If I am in error, correct me. In that bill you provided a specific salary for the members of that Authority and the Administrator. That was only in the last session of the Congress. The bill,

of course, was brought to the floor by a legislative committee. Now, the Appropriations Committee, through the medium of the Holman rule, seeks to legislate on this appropriation bill by reducing the salaries they voted for last year. That is only one commission that is affected. I named the others a moment ago.

A few years ago Congress created the Maritime Commission. Everyone knows that men who understand ships and shipping laws must of necessity be members of the Maritime Commission. Without such men the Commission would be at the mercy of those having business with it. They are now handling a billion and a quarter dollars, but the big thing they are doing is rebuilding our merchant marine, an arm of our national defense. The Chairman of that Commission is one of the most outstanding naval architects and naval constructors in the United States. He spent many years of his life in the Navy, and after his retirement, instead of going into private industry, he responded to the appeals and accepted this position. At the time, and today, the law provides a specific salary, and now the Appropriations Committee, not the legislative committee, reduces the salary. While this amendment reduces his salary, it is only temporarily, and I will tell you why before I finish.

The gentleman from Minnesota said comparable commissions should all receive the same salary. By no means are they comparable. Anyone who knows anything about the work of the commissions know there is a vast difference. The fact is Mr. Chairman we have other commissions where the commissioners are underpaid. I might mention the Federal Trade and Water Power Commissions.

I cited in the RECORD on Monday six unanimous decisions of our courts, four by the Court of Claims and two by the United States Supreme Court, wherein they held that the fact that the Congress of the United States did not appropriate sufficient money to pay the salary of the official, when the salary was fixed by organic law, did not relieve the Government of the United States from its obligation to pay that salary. In every case the court permitted the official to recover, and they came back to Congress with the request for money to pay the claims, and the Committee on Appropriations appropriated the money; not only the salary, but also interest on the unpaid amount.

I am going to cite those decisions again.

The citations are:

Robert M. Danford against United States, Court of Claims Reports, 51, 61, page 286: Court held plaintiff was entitled to recover. As commandant of Military Academy, statute provided he was to receive pay of a lieutenant colonel. For 2 years pay was reduced due to failure of Congress to appropriate sufficient money.

Strong against United States, Court of Claims Reports, 1924-25, page 627: Statute provided that each professor at the Military Academy whose service exceeds 10 years shall have pay and allowance of colonel. Court held pay and allowance fixed by law and while Treasury could not pay until necessary appropriation was made, the liability of the United States to pay exists independently of the appropriation and may be enforced by proceedings in the Court.

United States against Laughton, United States Reports, October term, 1885-86, page 389: Court of Claims held Laughton, Minister to Haiti, was entitled to salary allowed by law. Government appealed to Supreme Court. Court held in part that, according to the settled rules of interpretation, a statute fixing the annual salary of a public officer at a named sum without limitation as to time, should not be deemed abrogated or suspended by subsequent enactments which merely appropriated a less amount.

James against United States, United States Reports, volume 202, October term, 1905: Charles P. James was an Associate Justice of the Supreme Court of the District of Columbia. After his death administratrix brought suit to recover \$6,688.90, holding judge was paid at rate of \$4,000 per annum while statute fixed salary at \$5,000. Judgment favorable to plaintiff.

In view of the decisions how can anyone say we have a legal right to reduce the salaries without changing the organic law. You might think you save a few dollars here, but in the end, the Congress will be required to not only pay the balance of the salary but interest besides.

Aside from that interest the Department of Justice will employ special attorneys at a high rate of pay to defend the cases for the Government. As each and every one of the officials affected by this provision can, and in time will, go into court and recover the salary the organic law provides they should receive, it is folly to pass this provision.

You know my record in this House in regard to economy, but I insist this is not economy.

This matter should be considered by the various legislative committees, and if, in their judgment, they feel the salaries now provided in existing law are too high, and bring in a bill and justify their recommendation for a reduction, I will support that bill, but I am not going to vote for a provision which the highest court in our land declined to approve on two occasions.

Mr. Chairman, I hope my amendment striking out the paragraph will be adopted. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope that this amendment will prevail. I listened with a great deal of interest and was almost moved to tears by the earnest, eloquent, and appealing address of the majority leader of this House today in which he urged the Members of the House to stand by the legislative committees and to uphold them in their work. That is what I am asking you to do now. The legislative Committee on Merchant Marine and Fisheries considered the question of salaries when it framed the bill creating the Maritime Commission. The other committees did the same thing as to the agencies created by them. The Interstate Commerce Commission is affected. I submit that their salaries should be restored. I believe that if you had fewer Interstate Commerce Commissioners and better-paid men, the railroads would not be in the jeopardy they are today. [Applause.]

I submit further that when these commissions were considered by the committees the question of salaries was gone into much more fully than could possibly be done by the Appropriations Committee. Whenever the Appropriations Committee wants to sustain its position it asks you to stand by the legislative committee of the House if that is agreeable with their desires. I am asking you to do that now. When we consider the work that has to be done by the Maritime Commission and the extent of its work, and how far-reaching it is, there should be no question about the salaries originally provided. The Maritime Commission is operating a world-wide business. It is in competition with the nations of the world. It must know the rules and regulations. The same is true of the Aeronautics Commission. The Interstate Commerce Commission is concerned with all the problems of the railroads, and they are very grave. Let us not be picayunish in reducing these salaries, but keep them at the figures the legislative committees said should be paid.

I appeal to the House to pass this amendment.

Mr. SCHAFER of Wisconsin. Does not the gentleman think that if we raise the salaries of the Interstate Commerce Commissioners we would be able to get better men than Amle, of Wisconsin, on the Commission?

Mr. BLAND. I have my own views. I would not vote to confirm Mr. Amle.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the Merchant Marine Act of 1936 was reported to this body by the Committee on Merchant Marine and Fisheries, of which I am a member. Long and exhaustive hearings were held on this most important bill and a great deal of care and consideration was given to the section fixing the salaries of the members of the Commission.

The Maritime Commission has a great executive as well as financial responsibility. I have always been in favor of economy in Government, but I sincerely feel it is a mistake to reduce the salaries of members of this Commission.

It is estimated that it will cost \$1,250,000,000 to rehabilitate our merchant marine, one of the most important links in the chain of our naval national defense. The Maritime Commission, whose salaries you would reduce from \$12,000 to \$10,000, have absolute control over this enormous fund.

The Merchant Marine Act of 1936 fixed the maximum salary of \$25,000 a year for the presidents of all Government-subsidized shipping companies. In the pending bill there is a provision to reduce the salaries of the members of the Maritime Commission, which has charge of all Government-subsidized and Government-operated shipping companies from \$12,000 to \$10,000 a year. I submit, Mr. Chairman and members of the Committee, that this is poor economy. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, I agree with the position taken by the gentleman from Missouri [Mr. COCHRAN] and concur in his effort to strike out section 3 of this bill. In taking this position I think I am following the same course I followed this morning when I opposed the amendment offered by the gentleman from New York [Mr. TABER] attempting to strike out the appropriation for the National Labor Relations Board.

Last year we created the Civil Aeronautics Authority. After much discussion and a difference of opinion between the two legislative bodies in the Capitol the salaries were agreed upon at \$12,000 per year. The President offered these positions to the men now occupying them. They accepted them at that salary, and we are breaking faith if we come in now, less than a year after the organizations were created, and reduce their salaries. The same thing applies to the Merchant Marine situation, the Maritime Commission, and to the Interstate Commerce Commission. The legislative acts creating these positions designated a certain salary, and we ought not to break faith with them by simply refusing to appropriate the money which the substantive law calls for and directs the Congress to appropriate.

I cannot see how the Committee on Appropriations can sustain its position in this matter when they opposed the motion of the gentleman from New York [Mr. TABER] to legislate out of existence the National Labor Relations Board. The principle is exactly the same in this case. They are undertaking to change the act creating the agencies by lowering the salaries. The people holding these positions accepted them with the understanding that they were to get the salaries provided in the act creating the agencies, and Congress, in my judgment, ought not to act in this way. If anybody wants to change these salaries, let them introduce a bill to that effect and have it considered by the legislative committee having jurisdiction.

I hope the Committee will vote with the gentleman from Missouri [Mr. COCHRAN] and strike out this section, which ought not to be in an appropriation bill.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from West Virginia [Mr. RANDOLPH] is recognized.

Mr. RANDOLPH. Mr. Chairman, I rise in support of the position taken by the gentleman from Missouri [Mr. COCHRAN]. I also reiterate what has just been said by the gentleman from Georgia [Mr. RAMSPECK].

I should like to direct my remarks, and to invite your attention especially, to the salaries for the members of the Civil Aeronautics Authority. This happens to be the Au-

thority most recently created by the Congress of the United States. It was established in the last session. Many of the Members here present will recall that there was most painstaking consideration and most exhaustive debate upon the subject of the creation of the Civil Aeronautics Authority. The members of this new organization were drafted into most important positions in the Government of the United States. I cannot too strongly say here this evening that they are charged with one of the highest responsibilities that has ever been placed upon any board created by legislative act.

There is a moral agreement with the men who took those positions at the salaries set by Congress, and I am not certain but what beyond the moral agreement and contract there is also a legal agreement which is binding in cases of this type.

Mr. Chairman, I, in closing, say to the members of this committee that, regardless of whether we sit on one side of the aisle or the other, the vote upon this amendment, which is offered by a Democrat, certainly should not be considered in any wise on a partisan basis. Mr. WOODRUM and his committee, I understand, will oppose the contention we make. The members of the Civil Aeronautics Authority are charged with a very heavy responsibility in a specialized field and should receive from the Congress of the United States at this time support from those of us who are interested, as all of us are interested, in a real organization for the development of not alone civil aviation in this Government of yours and mine, but also a meshing of our civil aviation activities into the national-defense program. Aviation is a developing industry in the country. We should do nothing to retard the work of the Authority. We should lend every encouragement. I caution you, and I caution in the fairest spirit, that we make, in my opinion, a grievous error, and one that in the future will be a bad precedent, if today we allow the Appropriations Committee, in the consideration of funds for the various agencies of the Government, to bring here a legislative proposal in effect. I trust that the committee will support the very fair contention in the amendment offered by the gentleman from Missouri. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, the debate so far protesting against these salary cuts has been directed against two commissions that have been in existence but a couple of months. Nobody so far has shed any tears over the Tariff Commission that has had this cut applied to it by the House of Representatives, my beloved friends here, and myself year after year since the Economy Act went into effect. The Interstate Commerce Commission and the Tariff Commission members' basic salaries are \$12,000. We have cut their salaries back every year to \$10,000, and, as I stated, no one has shed any tears.

Mr. COCHRAN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Missouri.

Mr. COCHRAN. I want to say I was the first one to offer an amendment here to reduce the salaries of Government officials, but I found out I was wrong, and I have sense enough when I find out I am wrong to turn around and go the right way.

Mr. WOODRUM of Virginia. I hope the gentleman will turn around and vote against his own amendment, because he is making another mistake.

Mr. COCHRAN. No; because they will recover the money, anyway.

Mr. WOODRUM of Virginia. They will not recover the money.

Mr. COCHRAN. Why not?

Mr. WOODRUM of Virginia. I will show the gentleman in a minute.

Mr. Chairman, I do not want to become personal, and if Congress wants to pay these people \$12,000 a year I do not care, but there is no use getting emotional about it. Let us read the list of the gentlemen on these two commissions. I have before me the Maritime Commission, a splendid, fine aggregation of men.

Before Admiral Land, Chairman, was appointed a few months ago, he received the pay of an admiral in the Navy, \$9,700. Another member is a distinguished former Member of the House who was involuntarily left at home. Another member was an administrative official in another agency. Not one of them, so far as I know, ever received as much as \$10,000 a year, certainly not from the Government.

Let us turn to the Civil Aeronautics Authority. One of the distinguished members, a very able lawyer, was general counsel for another commission and received \$10,000. Another member was an administrator in a department of the Treasury receiving about \$9,000 a year, and so on.

Let us not get emotional about this matter, and conclude that some great injustice has been done. If we are going to put it on the basis of value rendered to the Nation, how are you going to evaluate in dollars and cents the services rendered to the people of the country by some of the men who serve in this body on both sides of the aisle? It is not very complimentary to these two Commissions, the Aeronautical Authority and the Maritime Commission, to say that the members would have taken those jobs only because they would receive \$12,000 a year.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. RANDOLPH), there were—ayes 28, noes 65. So the amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 66, lines 21 and 22, strike out the words "Commissioners of the United States Maritime Commission."

Mr. BLAND. Mr. Chairman, I hold no brief for or against the other Commissioners mentioned in this section. They are all entitled to retain the salary of \$12,000 a year prescribed for them in the law creating the Commission. If the salaries are to be changed, the legislative committees ought to change them and not the Appropriations Committee.

I do want to call attention to the services rendered by the Maritime Commissioners. I do not know of any other commission or agency that is running a world-wide business, that must know world conditions, the costs, practices, rules, and regulations of ocean commerce of every maritime nation in the world. That is what the Maritime Commission must do. I do not know of any other body of men who in the very limited time they have occupied office have settled claims against the Government aggregating \$92,500,000 for the small sum of \$7,390,152.20. That is what the Maritime Commission has done.

Mr. OLIVER. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Maine.

Mr. OLIVER. I think a statement, made, perhaps, unconsciously, by the gentleman from Virginia [Mr. WOODRUM] should be corrected at this point. He said that one member of the Maritime Commission, a former Member of this House, was involuntarily left at home. As a matter of fact the man who was a former Member of the House and who is now a member of the Maritime Commission was not a candidate for reelection to the House.

Mr. BLAND. I am very glad to have that correction of Mr. WOODRUM's statement. That was former Member Mr. Moran.

At the time these salaries were adopted, it is my recollection there was before the committee the question of making the Commission a body of seven, with salaries ranging from \$10,000 to \$15,000 or more. It was the judgment of the committee that five men with a salary of \$12,000 a year would offer an inducement to secure better men for this work.

I referred to the work of the Maritime Commission. I resume. Not only does that Commission make settlements but it also must know conference rates and conference agreements affecting our commerce, oceangoing, coastwise, and intercoastal. The Commission keeps in touch almost daily

with the Department of State and with the Interstate Commerce Commission. I shall refer to these services later.

Mr. Chairman, I am afraid that the effort on the part of the Congress today to reduce the salaries of the members of the Maritime Commission will be construed by the other maritime nations of the world as a weakening in our position in support of our merchant marine. I would rather that they remain as they are even if I believed that the salaries were too large than to have it go out to the nations of the world that we are weakening in our determination to have a merchant marine. Our competition is keen today. These men are vested with a great responsibility. They must know the cost of shipbuilding in all other nations of the world. They must know operating differentials in the various services. They are charged with working out these differences in the interest of the American people.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The very sound contention which is made by the gentleman from Virginia in behalf of the members of the Maritime Commission applies with equal force to the specialized gentlemen who are serving on the Civil Aeronautics Authority. It was significant that the gentleman from Virginia failed to read down the list of members of that body.

Mr. THORKELOSON. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Montana.

Mr. THORKELOSON. The Maritime Commissioners are running ships that are owned by the United States Government?

Mr. BLAND. Some of the lines are owned by the United States Government and some are private lines.

Let me say further that we limited the salaries of the men who are to operate the lines to a specific sum, \$25,000 a year, I think, yet all the problems involved in the operation of these lines are to be worked out now by a Commission whose members are to be paid \$10,000 because gentlemen of the Committee on Appropriations, who, I respectfully submit, do not know anything in the world about it, have not fully considered the proposition. Before they try to usurp the functions of the legislative committees let them attend to the responsibilities and functions purely and properly belonging to the Committee on Appropriations. Let us not have these vetoes by the Committee on Appropriations.

Under leave to extend my remarks, I wish to call attention more in detail but by no means completely to the work these men have to do.

Members of the Maritime Commission are charged with responsibilities vital to our national welfare at home and abroad both in peace and war.

In peace: Twenty to thirty millions of our citizens depend directly or indirectly upon our foreign trade. This trade must be carried in ships. Congress has declared that a substantial portion must be carried in ships of United States registry. The Commission is responsible for providing these ships, both in cooperation with private operators and for its own account where necessary, in adequate numbers and proper proportion.

In war: The merchant marine provides the Navy with what is called the "service of supply." Fast, efficient merchant vessels are essential to the proper operation of fighting ships. They feed, fuel, and service them generally in emergencies. Without such an auxiliary, the Navy's usefulness is materially reduced and our "first line of defense" is perilously weakened.

Upon the judgment, experience, and ability of the Commission members depend the achievement of these two paramount purposes.

Shipping is our oldest and most complicated industry. To restore it to its former vigor and to return the United States to a position among the maritime nations commensurate with our importance as a world power involves what may fairly be called one of the major current activities of the Government. Members of the Commission are continually called upon to formulate opinions and judgments involving economic problems, both domestic and international, upon complicated financial questions of substantial magnitude, upon numerous

matters vital to our international trade, and upon legal problems requiring appearance in courts throughout the world. As an example of the latter, it can be said that within a few days the Commission lost one lawsuit in Venice and won another in Ireland, and is at present involved in litigation in Brazil and in Japan.

Upon its creation under the Merchant Marine Act, 1936, the Maritime Commission faced the task of rehabilitating the merchant marine, more than 90 percent of which will become obsolete by 1942. So great had been our decline as a maritime power that our foreign-trade fleet stood fourth in tonnage, sixth in speed, and seventh, or next to last, in age among the principal maritime nations of the world, while the country itself stood second only to Great Britain as a world trader.

The Commission started from scratch. No comprehensive study of the merchant marine had even been made. Therefore, before attempting to work out the complexities which confronted it and the maritime industry, the Commission undertook an exhaustive study.

The questions formulated by the Commission, and for which answers were sought and found, included:

- (1) Should the United States attempt to compete in the international carrying trade?
- (2) What are the requirements of the United States?
- (3) What is the present status of the subsidized merchant marine?
- (4) What should be the policy of the United States?
- (5) What does it cost to maintain an adequate merchant marine in the foreign trade?

Upon the completion of this study in November of 1937, the Commission after long and arduous discussions was ready to begin the major portion of the task delegated to it by the Congress.

It should be said, however, that while this study was going on, the Commission was also engaged in the extremely difficult and trying effort of settling claims approximating \$92,500,000 filed against the Government by reason of the termination of mail-pay contracts as of June 30, 1937. Within 60 days, actual settlement of a major portion of these claims, at something less than 10 cents on the dollar, had been effected, and without interruption of service on subsidized lines. The quality of judgment, of legal skill, and economic and financial knowledge involved in these settlements were of necessity of the highest order. Otherwise, the Government and the merchant marine would have been seriously handicapped and the taxpayers would have stood to lose many millions of dollars. These claims were settled for \$7,390,152.20.

To formulate a replacement program and to effect its systematic and orderly accomplishment, the Commissioners were called upon to acquire an intimate knowledge of both the foreign trade and national-defense aspects of the merchant marine. It was decided informally that the minimum requirements for this systematic and orderly replacement program must involve construction of 50 ships a year for 10 years.

Under the Merchant Marine Act, 1936, the Congress declared that the merchant marine should be "owned and operated under the United States flag by citizens of the United States insofar as may be practicable * * *", which has been interpreted to mean that the Commission must bend every legitimate effort to support and maintain private operation. The successful achievement of this goal alone requires the best brains and judgment in matters economic and legal, which can be brought to the Government service.

Even so, this has been a very small part of the responsibilities resting upon members of the Commission. Once the elements involved in this question in an individual case have been properly assembled, there then arise the intricacies involved in determining the proper construction-differential subsidy to offset the cheaper building costs abroad, and that in turn is followed by the necessity of determining an equitable operating-differential subsidy to bring the American-flag operation as close as possible to economic parity with

the operator's principal foreign-flag competitor. In this way alone, can American standards of living, based on American wages, be maintained among those employed in our merchant marine.

As an example of the far-reaching effects of shipbuilding alone, it can be said, in truth, that into the fabrication of a single substantial vessel go the products of the fields, mines, or factories of practically every State in the Union.

As a concrete example of what the Commission's program means in dollars and cents, it can be shown that between January 1, 1938, and the end of the next fiscal year the Commission's construction schedule will have put into the pay envelopes of shipyard workers approximately \$140,000,000. It will also have resulted in the purchase of material amounting approximately to \$175,000,000, and it will have been the means of paying overhead expenses and profits in the amount of some \$78,000,000.

The administrative ability alone involved in the prudent expenditure of such amounts of money requires business and technical judgment, skill, talent, character, and integrity which cannot be easily found for the Government service.

The records covering earlier administration of our shipping laws indicate somewhat tragically the handicaps, the expense, and the embarrassment which result from incapable management.

The Maritime Commission is subjected to pressures from individuals and groups to perhaps a greater degree from the point of view of their potential effect upon men's judgments than any other independent agency of the Government. For men capable of withstanding these pressures, \$12,000 per year is a modest price.

Aside from the construction and subsidy responsibilities placed upon Commission members, there are very extensive and complicated regulatory functions to be carried out. They have been compared with those exercised by the Interstate Commerce Commission. That comparison fundamentally would seem to end almost at the beginning. It would seem to stand only insofar as it can be said that both agencies derive their regulatory powers through Congress from the same constitutional authority, namely, the interstate- and foreign-commerce clause of the Constitution. While it is true that the mechanics of administering their respective regulatory functions are somewhat similar, the problems to which these mechanics apply are in many ways entirely dissimilar, and in the case of foreign commerce no comparison exists.

While the Interstate Commerce Commission is primarily a regulatory agency, the Maritime Commission exercises its regulatory powers over a considerably wider field and as only one of a series of interlocking responsibilities.

A simple illustration may be drawn concerning the regulatory problems of the two agencies by saying that trains run on rails to which their movement is restricted, and their operation, for purposes of comparison, is limited to the United States. Ships, on the other hand, in endless numbers, can navigate the breadths of the seven seas and under the flags of many nations. That alone inspires far keener and more acute competition among carriers by water than among those by land. Quite different regulatory problems are involved in the two operations.

The Maritime Commission, under the Merchant Marine Act, 1936, is directly charged with obtaining preference for American-flag ships, both as to passengers and cargo. It also must be alert to all discriminations against American-flag ships. These duties frequently involve delicate diplomatic questions upon which sound judgment must be exercised. For this reason a close liaison must, therefore, be maintained with the Department of State and other agencies of the Government involved in activities abroad. This in turn leads other Government agencies to consult the Maritime Commission to obtain its opinions and advice on matters pertaining to international trade and transportation.

An important and little-known Commission activity involves the direction of numerous studies of specialized mari-

time problems and the formulation of recommendations as to solutions for the information and assistance of Congress.

For example, the Commission is at present completing a comprehensive examination into the organization and services of coastwise and intercoastal shipping operators. This study covers their financial set-up, their management, the condition of their fleets, the requirements of their tonnage, particularly from the point of view of obsolescence, as well as their potentialities as naval auxiliaries.

The Commission has recently completed and submitted to Congress an exhaustive report on the training of personnel for our own merchant marine and a thorough examination of the training systems of our principal competitors.

A third study involves disposal of obsolete tonnage. This question, upon its face, would appear fairly simple to resolve. However, it includes aspects of international importance, especially where sale by private companies abroad is contemplated at times of international tension and insecurity.

The above examples, selected at random, appear in isolation to constitute a minor activity of the Commission, but, measured by their ramifications, the results of special studies frequently involve consequences of the utmost importance.

Taking the Commission's duties and responsibilities as a whole, we find that they include, among others, important quasi-judicial functions, very extensive mortgage, banking, insurance, shipbuilding, and purchasing activities, as well as ship operation and the management of terminal facilities.

For men of the character and ability required to assume and discharge such responsibilities as are involved in those activities, considerable financial sacrifice is required in the public interest. While the reward for public service well rendered should not be measured in dollars, this Government should be willing to maintain their compensation at a level as nearly commensurate with the dignity and responsibility of the office as possible.

In closing I wish to say that I am impelled to urge retention of the salaries provided in the act solely by my interest in the merchant marine and by my abiding conviction that the defense of our country in time of war and the promotion of our trade in time of peace are indissolubly associated with the existence of an adequate American merchant marine.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The question was taken; and on a division (demanded by Mr. RANDOLPH) there were—ayes 22, noes 68.

So the amendment was rejected.

The Clerk read as follows:

Sec. 6. No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922 (37 U. S. C. 13, 16).

Mr. IZAC. Mr. Chairman, I make a point of order against the inclusion of this section in the bill.

Mr. WOODRUM of Virginia. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is well taken. The provision would come under the Holman rule as a limitation except for the fact that it contains legislation on an appropriation bill. The Chair sustains the point of order.

The Clerk concluded the reading of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that

that Committee, having had under consideration the independent offices appropriation bill, 1940 (H. R. 3743), had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? The Chair hears none. The Chair will put the amendments en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The Clerk will report the motion of the gentleman from New York to recommit the bill.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit the bill to the Committee on Appropriations.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a letter received from the Public Service Commission of West Virginia relative to the hearings on the independent offices appropriation bill, together with a reply by the Rural Electrification Administration.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter written by my colleague the gentleman from Michigan [Mr. ENGEL] to the Honorable JOHN RANKIN, chairman of the Committee on World War Veterans' Legislation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend in the RECORD my remarks made this afternoon and to include therein an article from the Minnesota Legionnaire.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. STARNES of Alabama. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the president of the American Farm Bureau.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Wednesday next after the disposition of the business on the Speaker's desk and following the legislative program of the day, I may be permitted to address the House for 30 minutes.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?
There was no objection.

ADJOURNMENT

Mr. **RAYBURN**. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, February 9, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Thursday, February 9, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON FLOOD CONTROL

There will be a meeting of the Committee on Flood Control on Thursday, February 9, 1939, at 11 a. m., to consider pending resolutions.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, February 9, 1939. Business to be considered: Continuation of hearing on H. R. 2531, transportation bill. A representative of the American Trucking Association will be the witness.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Thursday, February 9, 1939.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, February 9, 1939, at 10:30 a. m., to hold hearings on the reports on Milwaukee Harbor, Wis., Mississippi River at Cochrane, Wis., and Tacoma Harbor, Wash.

The Committee on Rivers and Harbors will meet Friday, February 10, 1939, at 10:30 a. m., to hold hearings on the report on the New Jersey Intracoastal Waterway.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

403. A letter from the Attorney General of the United States, transmitting a draft of a proposed bill to prohibit

reproductions of official badges, identification cards, and other insignia; to the Committee on the Judiciary.

404. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938; to the Committee on Claims.

405. A letter from the Secretary of War, transmitting a draft of a joint resolution relating to the celebration of the twenty-fifth anniversary of the opening of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

406. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to afford relief to certain employees and disbursing officers in the Indian Service; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. **RANDOLPH**: Committee on the District of Columbia. H. R. 1807. A bill to amend section 798 of the Code of Law for the District of Columbia relating to murder in the first degree; without amendment (Rept. No. 28). Referred to the House Calendar.

Mr. **JONES** of Texas: Committee on Agriculture. S. 660. An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto; without amendment (Rept. No. 30). Referred to the House Calendar.

Mr. **JONES** of Texas: Committee on Agriculture. H. R. 3800. A bill to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended; without amendment (Rept. No. 31). Referred to the Committee of the Whole House on the state of the Union.

Mr. **MAY**: Committee on Military Affairs. H. R. 3791. A bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress; without amendment (Rept. No. 32). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. **RANDOLPH**: Committee on the District of Columbia. H. R. 2261. A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department; without amendment (Rept. No. 29). Referred to the Private Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2241) granting a pension to Conrad F. Korthanke; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2275) granting a pension to Luther Skaggs; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2284) granting a pension to Richard J. Huss; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2285) granting a pension to Maud Patterson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3680) granting a pension to Roxie Francis Coffey and Barbara Coffey, minor children of John Coffey; Committee on Invalid Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 3771) granting an increase of pension to Robert Goodman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H. R. 3934. A bill to provide for a more permanent tenure for persons carrying the mail on star routes; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. R. 3935. A bill to amend section 1 of the act of March 24, 1937, as amended, relating to discharge of seamen (U. S. C., 1934 edition, Supp. IV, title 46, secs. 643 and 643a); to the Committee on Merchant Marine and Fisheries.

By Mr. CRAWFORD:

H. R. 3936. A bill to amend section 247 of the Code of Law of the District of Columbia; to the Committee on the District of Columbia.

By Mr. FLANNERY:

H. R. 3937. A bill to recognize seniority of service in promotions and assignments of clerks in first- and second-class post offices; to the Committee on the Post Office and Post Roads.

H. R. 3938. A bill to create a United States Civil Service Board of Appeals; to the Committee on the Civil Service.

H. R. 3939. A bill to extend the provisions of the civil-service laws to certain positions in the Department of the Treasury; to the Committee on the Civil Service.

By Mr. GORE:

H. R. 3940. A bill to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938"; to the Committee on Labor.

By Mr. HAVENNER:

H. R. 3941. A bill to authorize the erection of additional facilities at the existing Veterans' Administration facility, Fort Miley, Calif.; to the Committee on World War Veterans' Legislation.

By Mr. LUTHER A. JOHNSON:

H. R. 3942. A bill to provide for the distribution to needy persons of articles manufactured from certain cotton owned by the United States; to the Committee on Agriculture.

By Mr. KNUTSON:

H. R. 3943. A bill to increase the tariff on turnips and rutabagas; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 3944. A bill authorizing the county of Grand Forks, N. Dak., to construct, maintain, and operate a free highway bridge across the Red River near Crookston, Minn., and Thompson, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Colorado:

H. R. 3945. A bill to authorize the use of War Department equipment for the Confederate Veterans' 1939 reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939; to the Committee on Military Affairs.

H. R. 3946. A bill to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes; to the Committee on Naval Affairs.

By Mr. O'TOOLE:

H. R. 3947. A bill to amend the Federal Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANDOLPH:

H. R. 3948. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted; to the Committee on the District of Columbia.

H. R. 3949. A bill to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes"; to the Committee on the District of Columbia.

H. R. 3950. A bill to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes; to the Committee on the District of Columbia.

By Mr. SMITH of Ohio:

H. R. 3951. A bill to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes, approved June 25, 1938"; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Washington:

H. R. 3952. A bill to provide for the construction of a post-office building at Elma, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. VAN ZANDT:

H. R. 3953. A bill granting pensions and increases of pensions to veterans of the Regular Establishment; to the Committee on Invalid Pensions.

By Mr. CANNON of Florida:

H. R. 3954. A bill to modify the project for improvement of Palm Beach Harbor, Fla.; to the Committee on Rivers and Harbors.

By Mr. FLANNAGAN:

H. R. 3955. A bill to amend section 335 (d) of the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. SPARKMAN:

H. R. 3956. A bill to provide flying pay to Air Corps Reserve officers for risks incurred in authorized training flights when not on active duty; to the Committee on Military Affairs.

H. R. 3957. A bill to provide for a more efficient and economical mileage table of distances and routes to apply for the payments of travel performed for the United States Government by the military personnel, Coast Guard, Coast and Geodetic Survey, and the Public Health Service; to the Committee on Military Affairs.

By Mr. O'TOOLE:

H. R. 3958. A bill to fix the salaries of certain judges of the United States; to the Committee on the Judiciary.

By Mr. ROBINSON of Utah:

H. R. 3959. A bill to authorize the Secretary of the Interior to dispose of recreational demonstration projects, and for other purposes; to the Committee on the Public Lands.

By Mr. ROBSION of Kentucky:

H. R. 3960. A bill to provide for the establishment of the Cumberland Gap National Historical Park and the Cumberland national recreational area in Tennessee, Kentucky, and Virginia; to the Committee on the Public Lands.

By Mr. McLEOD:

H. J. Res. 157. Joint resolution proposing an amendment to the Constitution of the United States, limiting the tenure of office of the President of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. PACE:

H. J. Res. 158. Joint resolution to provide for the erection of a monument to the memory of Gen. Edmund Clark Gaines; to the Committee on the Library.

By Mr. SABATH:

H. J. Res. 159. Joint resolution authorizing the selection of a site and the erection thereon of the Columbian Fountain in Washington, D. C.; to the Committee on the Library.

By Mr. SHANLEY:

H. J. Res. 160. Joint resolution requesting the President to invite the nations of the world to an international conference for the maintenance of peace; to the Committee on Foreign Affairs.

By Mr. O'CONNOR:

H. Res. 7. Concurrent resolution to create a joint committee to investigate conditions in metal mining; to the Committee on Rules.

By Mr. HORTON:

H. Res. 85. Resolution to express the sense of the House of Representatives that no authority exists for failing to enforce section 306 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. SCHULTE:

H. Res. 86. Resolution authorizing the Committee on Immigration and Naturalization to make a thorough study of need for revision and separate codifications of laws relating to immigration, deportation, naturalization, and expatriation; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 1, with reference to public lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 3961. A bill for the relief of Kenneth A. Bixler; to the Committee on Military Affairs.

H. R. 3962. A bill for the relief of Grace Campbell; to the Committee on Claims.

By Mr. BELL:

H. R. 3963. A bill for the relief of John H. Durnil; to the Committee on Claims.

H. R. 3964. A bill for the relief of H. S. Wayman; to the Committee on Claims.

By Mr. BROWN of Ohio:

H. R. 3965. A bill for the relief of Charles H. Parr; to the Committee on Claims.

By Mr. CHAPMAN:

H. R. 3966. A bill granting an increase of pension to Lottie Newton; to the Committee on Invalid Pensions.

By Mr. COFFEE of Washington:

H. R. 3967. A bill for the relief of Oscar C. Wollan, Fred F. Diel, Laura I. Martin, Jane E. Koppes, and Helen Olson; to the Committee on Claims.

By Mr. CONNERY:

H. R. 3968. A bill for the relief of William Cavanaugh; to the Committee on Naval Affairs.

By Mr. FLANNERY:

H. R. 3969. A bill for the relief of John Kumble; to the Committee on Military Affairs.

By Mr. GILCHRIST:

H. R. 3970. A bill for the relief of Charles Sidenstucker; to the Committee on Claims.

H. R. 3971. A bill for the relief of Pat Derrig; to the Committee on Claims.

By Mr. GOLDSBOROUGH:

H. R. 3972. A bill for the relief of Mary F. England, Margaret Fulton, and Tyler M. Fulton, children of Winston Cabell Fulton; to the Committee on Claims.

H. R. 3973. A bill granting a pension to Fred B. Tawes; to the Committee on Invalid Pensions.

By Mr. HAVENNER:

H. R. 3974. A bill for the relief of James William Cole; to the Committee on Military Affairs.

H. R. 3975. A bill for the relief of the New Amsterdam Casualty Co.; to the Committee on Claims.

By Mr. KNUTSON:

H. R. 3976. A bill for the relief of Cliff Knowlen; to the Committee on Claims.

By Mr. McCORMACK:

H. R. 3977. A bill for the relief of John Patrick Godfrey; to the Committee on Naval Affairs.

H. R. 3978. A bill for the relief of Herbert Winn Casey; to the Committee on Naval Affairs.

H. R. 3979. A bill for the relief of William J. Whall; to the Committee on Naval Affairs.

H. R. 3980. A bill for the relief of Clarence Herbert Peltier; to the Committee on the Judiciary.

H. R. 3981. A bill for the relief of Charles F. Hult; to the Committee on Naval Affairs.

By Mr. McKEOUGH:

H. R. 3982. A bill granting a pension to Johanna Mabry Gray; to the Committee on Invalid Pensions.

By Mr. MAHON:

H. R. 3983. A bill for the relief of Mr. and Mrs. J. E. Patterson, parents of Robert Lewis Patterson, deceased minor son; to the Committee on Claims.

By Mr. MILLS of Louisiana:

H. R. 3984. A bill to confer citizenship on Frank Palmos; to the Committee on Immigration and Naturalization.

By Mr. NICHOLS:

H. R. 3985. A bill for the relief of Roy Chandler; to the Committee on Military Affairs.

By Mr. PATRICK:

H. R. 3986. A bill granting an increase of pension to James L. Huston; to the Committee on Invalid Pensions.

By Mr. SACKS:

H. R. 3987. A bill for the relief of Angelo Costanza; to the Committee on Immigration and Naturalization.

By Mr. SHEPPARD:

H. R. 3988. A bill granting a pension to Walter C. Schultz; to the Committee on World War Veterans' Legislation.

H. R. 3989. A bill authorizing the President to present a Distinguished Service Medal to Walter C. Schultz; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia:

H. R. 3990. A bill to provide for the appointment of James W. Grose as a sergeant, first-class (master sergeant), United States Army; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado:

H. R. 3991. A bill for the relief of the Colorado Tent & Awning Co.; to the Committee on Claims.

By Mr. TERRY:

H. R. 3992. A bill for the relief of Frank Spears; to the Committee on Claims.

By Mr. VAN ZANDT:

H. R. 3993. A bill granting a pension to Laura Alice Hamaker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

980. By Mr. ANDREWS: Resolution adopted by Niagara County Pomona Grange, urging Congress to amend the National Labor Relations Act exempting agricultural enterprises; to the Committee on Labor.

981. Also, resolution adopted by the National Paint, Varnish, and Lacquer Association, Inc., urging extension by Congress of title I of the National Housing Act; to the Committee on Banking and Currency.

982. By Mr. ANGELL: Petition of sundry citizens of Seaside and Astoria, Oreg., urging the policy of neutrality be observed by the United States; to the Committee on Foreign Affairs.

983. By Mr. CARTER: Senate Joint Resolution No. 12 of the California Legislature, memorializing Congress to take necessary steps to name the lake to be created by the construction of the Shasta Dam at Kennett, Calif., McCall Lake; to the Committee on Irrigation and Reclamation.

984. Also, Senate Joint Resolution No. 1 of the California Legislature, opposing exemption from taxation of bonds issued by governmental agencies, and memorializing the Congress to take immediate steps for the termination of the exemption

of such securities from taxation; to the Committee on Ways and Means.

985. Also, Senate Joint Resolution No. 4 of the California Legislature, memorializing the Congress to refuse enactment of legislation which would becloud the sovereign rights of the State of California in its submerged lands; to the Committee on the Judiciary.

986. Also, Senate Joint Resolution No. 8 of the California Legislature, favoring amendment of the California Indian Jurisdictional Act of 1928; to the Committee on Indian Affairs.

987. Also, Senate Joint Resolution No. 2 of the California Legislature, memorializing the Congress relative to the protection, use, and development of the natural resources of the State of California; to the Committee on the Public Lands.

988. By Mr. KRAMER: Resolution of the Pacific Coast Asphalt Shingle and Roofing Institute, favoring the extension of title I of the National Housing Act; to the Committee on Banking and Currency.

989. Also, resolution of the California Oil and Gas Association, favoring the enactment of legislation which will amend the Federal Oil Land Leasing Act; to the Committee on the Public Lands.

990. Also, resolution of the Senate and Assembly of the State of California, opposing enactment of legislation which would becloud the sovereign rights of the State of California in its submerged lands; to the Committee on the Public Lands.

991. Also, resolution of the Assembly and Senate of the State of California, favoring Federal aid to State or Territorial veterans' homes; to the Committee on Appropriations.

992. Also, resolution of the Assembly and Senate of the State of California, favoring the continuation of the Works Progress Administration Federal Arts Project; to the Committee on Appropriations.

993. Also, resolution of the Assembly and Senate of the State of California, favoring legislation providing flood control for Kern River; to the Committee on Flood Control.

994. By Mr. KEAN: Resolution adopted by the Guild of Catholic Lawyers of the Archdiocese of Newark, recording its vehement opposition of any repeal by the Congress either of the act of August 31, 1935, or the extension thereof by the act of May 1, 1937; to the Committee on Foreign Affairs.

995. By Mr. LEAVY: Petition of Okanogan County Pomona Grange, urging the President and Congress of the United States to remain strictly neutral in all conflicts not involving an invasion of American soil, and to prohibit the shipment of war supplies to all warring nations; to the Committee on Foreign Affairs.

996. By Mr. MAHON: Petition of H. M. Zimmerman and 21 other railroad employees of Slaton, Tex., regarding the problem of unemployment of railroad employees and proposed legislation; to the Committee on Interstate and Foreign Commerce.

997. By Mr. ROMJUE: Petition of members of the Elizabeth Barrett Browning Club, of Edina, Mo., urging support of the Harrison-Fletcher-Thomas bill; to the Committee on Education.

998. By Mr. SCHIFFLER: Petition of Hume K. Nowlan, executive secretary, the West Virginia League of Municipalities, Charleston, W. Va., opposing proposed legislation to impose retroactive income taxes upon municipal employees, etc.; to the Committee on Ways and Means.

999. By Mr. TERRY: Memorial of the House of Representatives of the Fifty-second General Assembly of Arkansas (the Senate concurring), urging the Congress of the United States to adopt, and the President to approve, such amendatory legislation as will remove those features of the Neutrality Act and the Johnson Act which tend to aid said belligerent totalitarian nations, in order that the Government of the United States will be relieved of all restrictions in conflict with the interests of world peace; to the Committee on Foreign Affairs.

1000. Also, memorial of the House of Representatives of the State of Arkansas, Fifty-second General Assembly (the Senate concurring), requesting the Congress of the United

States to make a supplemental Public Works Administration appropriation to cover the Arkansas projects now on file in which bond elections were held at the November 8, 1938, general election and the projects and bond issues approved; to the Committee on Appropriations.

1001. By the SPEAKER: Petition of the National Section of Workers of the Administration of Public Instruction, Mexico City, Mexico, urging consideration of their resolution with reference to the Neutrality Act; to the Committee on Foreign Affairs.

1002. Also, petition of the Civitan Club of Birmingham, Birmingham, Ala., urging consideration of their resolution with reference to registration and fingerprinting of all aliens now in the United States, as well as those entering in the future; to the Committee on Immigration and Naturalization.

1003. Also, petition of Generosa Hernandez, Caguas, P. R., and others, urging consideration of their petitions with reference to neutrality; to the Committee on Foreign Affairs.

SENATE

THURSDAY, FEBRUARY 9, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Most merciful and compassionate Father, who knowest our nature and readest our thoughts, from whom nothing can be hidden: Help us at this moment of supplication to unburden ourselves of everything unreal and to find rest in being what we are and nothing more, that, without shame or pretense, we may live in the realm of freedom and sincerity.

Life, with her sharp-edged tools of joy and pain, has engraved upon our face a legend of her own, and life at times becomes almost too hard to bear; duty is too large, and feeble hands hang down; and so we come to Thee, with all our weakness, asking for Thy strength, for we cannot live without Thy blessing, nor adequately serve Thee and Thy people except the spirit of the Christ abide in us. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 6, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THOMAS JEFFERSON MEMORIAL COMMISSION

The VICE PRESIDENT, under the terms of Public Resolution 49, Seventy-third Congress, appointed the Senator from Florida [Mr. ANDREWS] a member of the Thomas Jefferson Memorial Commission, vice Mr. Lonergan, former Senator from Connecticut.

SELECT COMMITTEE ON GOVERNMENT ORGANIZATION

The VICE PRESIDENT, under the terms of Senate Resolution 25, Seventy-sixth Congress, appointed the Senator from Illinois [Mr. LUCAS] a member of the Select Committee on Government Organization, vice Mr. Brown, former Senator from New Hampshire.

COLUMBIA HOSPITAL FOR WOMEN

The VICE PRESIDENT, under the terms of the act of June 10, 1872, appointed the Senator from Maryland [Mr. RADCLIFFE] a director of the Columbia Hospital for Women for the period of the Seventy-sixth Congress.

RELIEF OF DISBURSING AGENTS AND EMPLOYEES OF INDIAN SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of certain disbursing agents and employees of the Indian Service, which, with the accompanying paper, was referred to the Committee on Claims.